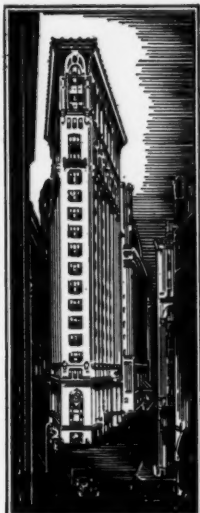


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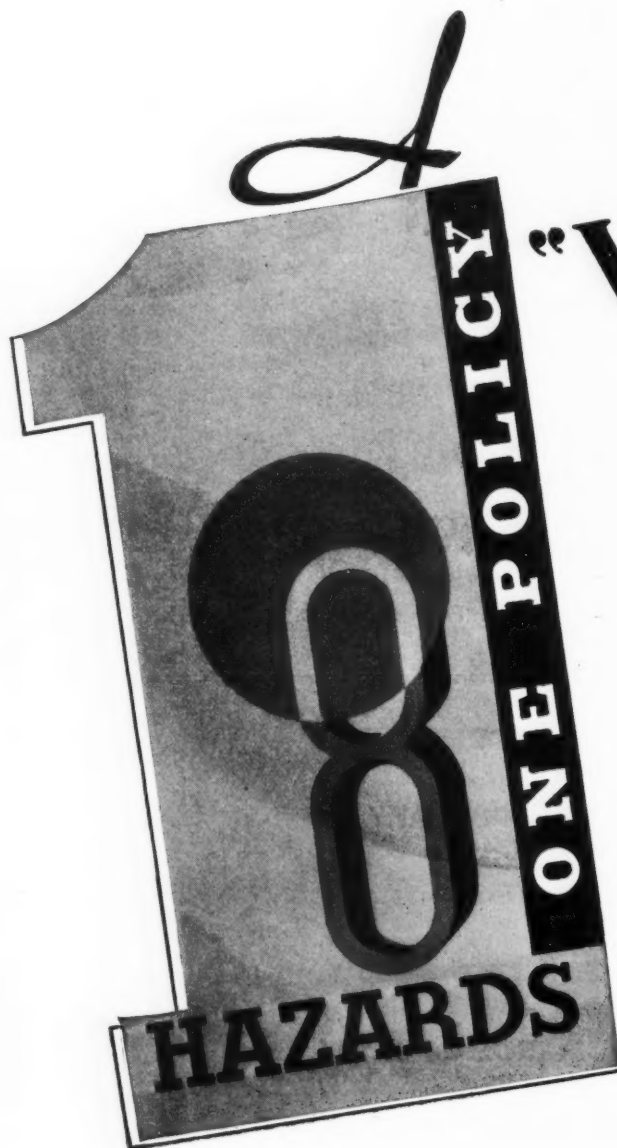
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THURSDAY, MAY 30, 1940



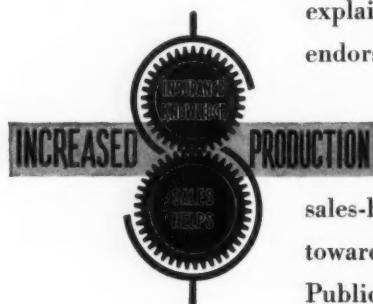
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Four Agents Associations in Session

Joseph Barker New President of the Nebraska Agents

**State Body to Promote
an Educational Program
in Near Future**

LINCOLN, NEB. — Joseph Barker, Jr., Omaha, was elected president of the Nebraska Association of Insurance Agents at the annual meeting here. He succeeds E. L. Dawson of Lincoln.

Earl Ritner, North Platte, was named first vice-president; Emmett Junge, Lin-



JOSEPH BARKER, JR.

coln, second vice-president; T. A. Bryan, Omaha, secretary-treasurer; and A. B. Dunbar, Omaha, national councillor.

Two Major Subjects

Two subjects receiving major discussion were the necessity to adopt in some manner a program of agent education, and steps toward making effective in Nebraska the "declaration of guiding principles" in a manner similar to that adopted by the California and New Jersey Associations. In every talk made by officers, these two proposals received particular emphasis.

Mr. Barker said he feels the business is of enough importance to warrant special training, and strongly recommended a training course for agents of Nebraska. He made a number of suggestions, among them a separate course for full-time and part-time agents. Plans are

(CONTINUED ON PAGE 31)

Georgians Elect Lancaster President

**Fair Trade Agreement
Is Urged; Smith Hits
Branch Offices**

NEW OFFICERS ELECTED

President—P. M. Lancaster, Sylvester.

Vice-president and Executive Committee Chairman—T. Henry Clarke, Waycross.

Secretary-treasurer—Irwin Wootton (reelected).

National Councillor—Herman J. Haas (reelected).

By SCOTT NIXON

SAVANNAH, GA.—The adoption of a fair trade agreement by companies and agents so as to guarantee the public's continued confidence in insurance by eliminating unwholesome practices was urged in a resolution adopted by the Georgia Association of Insurance Agents at its annual meeting here.

The National association's position that companies pledging loyalty to and operating under the American agency system should not compete with their own agents through production branch offices, was reaffirmed by Sidney O. Smith, Gainesville, president of the National association. "Conversely," he declared, "there is little defense for the local agent who accepts appointment from a company with all the moral obligations of loyalty that should accompany such an appointment and then proceed to peddle his business for a price outside of his own agency representation. For a sound, durable company-agency relationship a reciprocal loyalty is necessary."

Membership Increased

George Scott, assistant secretary National association, told of the work the association is doing for its agency forces.

An open forum on local boards was held. Robert H. Warren, Jr., president Albany Board, discussed its value to its membership. Rutherford L. Ellis, president Atlanta Association, told of its fire prevention and safety work. T. Henry Clarke, president Waycross Board, outlined the value of local boards in handling public business. Davis Reeves, state agent American of Newark, discussed the board's value to insurance companies.

Selsor Gives Talk

F. W. Selsor, claims attorney, Fidelity & Casualty, talked on "Honesty in Business."

The Southern Fire & Marine entertained the convention with a luncheon which was followed by a golf tournament. Hamilton C. Arnall, Newnan, and Charlie Pritchard, Savannah, won the prizes. The annual banquet, minus

(CONTINUED ON PAGE 31)

Oklahoma Agents Want Changes

**Would Eliminate Duplica-
tions in Department—
Wetzel Is New President**

NEW OFFICERS ELECTED

President—Clifford Wetzel, Ponca City.

Vice-president and Chairman of Executive Committee—Fred Daniel, Tulsa.

Secretary-treasurer—Jack Rone, Oklahoma City.

Executive committee—M. L. Sumner, Oklahoma City; Walter M. Smith, Lawton, and Guy Landes, Tulsa.

ENID, OKLA.—Strong resolutions urging reorganization of the Oklahoma insurance department so as to eliminate duplication of work, and endorsing the rearmament as a precautionary move against the attack of totalitarian powers, featured the annual meeting here of the Oklahoma Association of Insurers.

Reports showed the year to have been one of accomplishment. The association now has all bills paid, a surplus in the bank, 246 active members with no delinquency in dues. An enthusiastic resolution of thanks to Harry P. Frantz of Enid, retiring president and the executive committee, was adopted. Action was started to amend the by-laws to make the retiring president an ex-officio member of the executive committee.

Represents Shift in Attitude

The resolution favoring revision of the Oklahoma insurance supervisory machinery represents a reversal of opinion by the association. The proposition was killed at a recent session of the legislature because of association opposition. The resolution was adopted following an address by Commissioner Read of Oklahoma, who asserted that the association plan of having an elected commissioner performing one set of duties, and an insurance board composed of the commissioner and two appointees, the fire marshal and the board secretary, performing other but oftentimes conflicting and duplicating duties, is not followed in any other state and results in "buck passing" and lack of efficiency.

The resolution asked Mr. Read to prepare the necessary legislation and pledged the association's support for it in the legislature.

The association also urged the establishment of regular courses in all

(CONTINUED ON PAGE 31)

Ohio Heads Toward Educational Work for Local Agents

**Midyear Meeting Develops
Some Excellent Sales
and Informative Material**

By GEORGE E. WOHLGEMUTH

COLUMBUS, O.—The mid-year meeting of the Ohio Association of Insurance Agents showed clearly that it is definitely behind a strong educational movement for agents. The meeting was termed a "seminar" and it was just that. Four outstanding addresses were made by leaders in the fire, surety, casualty and inland marine fields and following each talk was on open forum. A departure from previous practice was initiated by W. A. Earls, Cincinnati, president, who appointed a moderator for each speaker. At the conclusion of each address, the moderator acted as chairman of the discussion.

Two Objectives Set Forth

In his presidential message, Mr. Earls said that his administration objectives had been directed toward two aims, the building of a stronger organization numerically and the introduction of a comprehensive educational program, both of which had been accomplished.

Mr. Earls asserted that company relations were harmonious, the insurance department cooperative, the solution of the HOLC insurance satisfactory, and the work of the Ohio field men in their activities with local agency and business groups through the Stock Company Speakers Association and the cooperation of the trade press, beneficial to the business. He referred to the fact that the secretaries of the Cleveland and Cincinnati boards had each recently completed 20 years service, indicating the stability of business.

Mr. Earls was critical of the management of the state monopolistic compensation fund, but said there is scant hope that the fund will be dispensed with.

Mr. Earls referred to the new petition which is being circulated over the state by Representative Bigelow of Cincinnati, which provides for new taxes for the purpose of financing state old age pensions. This and pressure for compulsory automobile insurance in a number of states require eternal vigilance. He advocated the tightening and strengthening of the financial responsibility law.

The proposal of the National Automobile Underwriters Association for handling automobile finance business has been deferred, Mr. Earls said, terming it

(CONTINUED ON LAST PAGE)

N. R. O. G. Insurance Scheme Run to Earth by President Welsh

Militant President of Missouri Agents Association Brings About Retreat

KANSAS CITY—W. J. Welsh of Kansas City, president of the Missouri Association of Insurance Agents, in referring to the N.R.O.G. (National Retail Owned Grocers) insurance issue, expresses the belief that this is the most important subject in the history of the Missouri association. The damaging potentialities of the plan had they been permitted to continue uninterrupted, not only in the matter of insurance for retail grocers but all other retailers could easily have involved the loss to agents of hundreds of thousands of dollars in Missouri, he declares.

Mr. Welsh explained that the first phase ended with the action of the Rhode Island in cancelling its open form on which the N.R.O.G. Insurance



W. J. WELSH

Agency of Chicago had been issuing the grocers "free insurance." Then the department did not renew the license of G. P. Whyte, Jr., of Kansas City, a broker who had been handling the N.R.O.G. insurance in Missouri.

The second phase was when the Associated Grocers of Kansas City issued a bulletin stating that owing to circumstances over which he has no control Mr. Whyte would be unable to take care of members' needs for the time being. It added that insurance matters would be taken care of by the N.R.O.G. agency of Chicago. This bulletin came to the attention of the Missouri association officials while they were investigating the application for renewal of Mr. Whyte's license. The association pointed out to Mr. Whyte his application would probably receive more favorable consideration if it were clearly established that he had completely and permanently disassociated himself from the N.R.O.G. agency.

Whyte Severs Relationship

Mr. Whyte, his attorney, I. F. R. Rope, along with John Drenth of the N.R.O.G. agency and James Harline of the Associated Grocers of Kansas City said Mr. Whyte's connection with the N.R.O.G. insurance arrangements were

(CONTINUED ON PAGE 11)



IN NEW YORK FOR NATIONAL BOARD PARLEY:

Top (left to right)—W. A. Blodgett, retired U. S. manager; B. A. Jochen, assistant U. S. manager, and H. G. Casper, U. S. manager Eagle Star.

Bottom—E. W. Elwell, U. S. manager Royal Exchange; and A. Bruce Bielaski, manager National Board's arson division; James Wyper, vice-president Hartford Fire and a former president of the National Board.

Program Is Announced for Connecticut Meeting

The program has been completed for the mid-year meeting of the Connecticut Association of Insurance Agents at the Tamarack Country Club, Greenwich, starting next Wednesday at 11 a. m. H. L. Bailey of Groton is president and will be in charge. T. G. Boone, president of the Greenwich Insurance Board, will extend greetings.

First Selectman Peck will give the city welcome. A. B. White of Keene, N. H., will give a talk on the New Hampshire financial responsibility law. Commissioner Blackall of Connecticut will give an address.

E. W. Hotchkiss, western manager of the Royal-L & L. & G., is in Minneapolis and St. Paul, looking over the field talent for a successor to R. L. Hanson, who was state agent of L. & L. & G. but has gone with Minneapolis F. & M., as state agent in Minnesota.

THIS WEEK IN INSURANCE

Oklahoma Association of Insurers held its annual meeting at Enid. **Page 1**

The Nebraska Association of Insurance Agents holds its annual meeting in Lincoln. **Page 1**

Ohio Association of Insurance Agents holds its mid-year session at Columbus. **Page 1**

F. D. Montague of Hattiesburg, Miss., was elected president of the Mississippi Association of Insurance Agents at its annual meeting. **Page 3**

Missouri features in the National Retail Owned Grocers Insurance issue set forth by President Welsh of the Missouri Association of Insurance Agents. **Page 2**

National Board at annual meeting acts favorably upon resolution offering its services to the United States government in connection with the defense program. **Page 3**

G. C. Cundiff of Chicago, associate manager of farm department of the Home, speaks on farm underwriting before Mississippi agents. **Page 10**

E. Adrian Teaf of Philadelphia explains the new Home Owners Loan Corporation contract. **Page 10**

Spokesmen for the Temporary National Economic Committee make some predictions as to what its future course will be. **Page 9**

L. W. Garlicks, St. Joseph, Mo., member executive committee National Association of Insurance Agents, in talks before two state meetings urges agents to equip themselves for higher service. **Page 3**

Superintendent Pink of the New York insurance department tells about the strength of the foreign companies operating in this country. **Page 7**

Liberty Fire of Louisville is reinsured in Newark Fire. **Page 3**

Illinois agents hold regional meeting at Springfield. **Page 6**

Harry F. Ogden is elected president; Frank F. Dorsey, vice-president and secretary, and C. B. Gamble, vice-president of Fidelity & Guaranty Fire. **Page 3**

Rate cutting in surety field sharply criticized by M. W. Lewis, president Towner Rating Bureau, at meeting of Ohio Association of Insurance Agents. **Page 17**

Request for additional hearing on proposed workmen's compensation rating changes, in order to present opposing views, is authorized by Risk Research Institute. **Page 17**

New "principal's protective" form brought out by two stock and mutual casualty bureaus, covering employer's liability to workers partially independent and of indeterminate status under workmen's compensation. **Page 19**

E. W. Sawyer, attorney National Bureau of Casualty & Surety Underwriters, speaks before Massachusetts Bankers Association, urging full-time insurance men for bank associations. **Page 18**

J. Arthur Nelson, president of the New Amsterdam Casualty, is slated also to be president of the United States Casualty, which is owned by the former company. **Page 18**

Norman McCulloch, production manager Globe Indemnity, reviews casualty trends in his address before the Ohio agents. **Page 17**

It is predicted that H. D. Sayer, manager of the New York State Fund, will become general manager of the Compensation Insurance Rating Board of New York. **Page 22**

Pennsylvania Compensation Rating & Inspection Bureau announces new rates for compensation insurance. **Page 22**

E. W. Sawyer, attorney for National Bureau gives information on application of clauses in revised liability policies. **Page 18**

Haid Sees Need of Public Relations Spirit in Adjusters

Suggests Stock Fire, Casualty Effort to Provide More Refined Service

All companies should demand and be willing to pay for adjusting service wherein the adjuster, in his contacts, is superior and wholesome, reflecting in personality and qualifications the true character of the insurer with patience to get acquainted with the assured and to examine into every detail, reaching an amicable accord as he proceeds, avoiding the lumping of items and the making of false estimates so that an equitable conclusion can be reached without controversy.

This was the assertion of Paul L. Haid, in his capacity as president of the Fire Companies Adjustment Bureau at the annual meeting of stockholders in New York.

The adjuster should be allowed time, he said, to discuss capital stock fire insurance with the claimant. At no time is a person more receptive to this than after an equitable and courteous adjustment, he observed.

Control can and must be exercised, he said, over the adjuster's personal ambition for volume beyond moderate capacity. This stretching for volume can be controlled even though it may not be possible, according to Mr. Haid, to have every adjuster treat his work professionally and interpret his own position unselfishly and primarily as one of service to the public and to insurance. Extraordinary cooperation is essential in a plan to revise the fundamentals of loss adjusting. The public does not distinguish between classes of insurers, so that from the standpoint of public relations there must be cooperation between fire, casualty and other classes of the business for the improvement of public relations.

"In deliberating upon the effectiveness of loss adjusting to the development of good public attitude towards insurance," he exhorted, "let us keep in mind that the adjustment of losses is the only purpose of insurance and that all other activities of the business are incidental to those."

During 1939 the F. C. A. B. handled 296,000 losses which was slightly less than during the previous year. The adjusted loss of \$95,000,000 was about \$5,000,000 greater than 1938.

No plan on the part of the business to promote good public relations can be more than nominally effective unless it embodies a purpose to refine and dignify loss adjusting procedure, he said. This medium of contact between insurance and the public should reflect the actual good character of the companies and develop within the public a sympathetic understanding of the business.

Mr. Haid observed that adjusters for fire companies handled 900,000 losses a year aside from small losses adjusted by local agents. An average of two persons is directly affected by each adjustment which means that 1,800,000 direct business contacts are made each year. Most of these adjustments will be discussed with the claimant's relatives and friends so that in this work the companies reach the ears of at least 5,000,000 during the year.

All officers of the F.C.A.B. were re-elected. John F. Gilliams, vice-president Camden Fire, was elected a director to take the place of the late Montgomery Clark.

Montague Elected President by Mississippi Agents

Seek National Association Mid-year Meeting—By-laws Are Revised

NEW OFFICERS ELECTED

President—Frank D. Montague, Hattiesburg.
Vice-President — Theodore Hardy, Vicksburg.
National Councillor—John W. Robinson, Jackson.
Secretary-Manager—Clant M. Seay, Jackson.

JACKSON, MISS.—Four changes in its bylaws were adopted by the Mississippi Association of Insurance Agents at its annual meeting here. A new dues schedule provides needed revenue for

continuation of the manager plan which has successfully completed its first year of operation. Officers will now be elected by the directors and the number of directors has been increased from seven to 12. Plans were adopted to hold a state mid-year meeting and provisions were made to make further changes in the bylaws at any annual or called meeting of the association.

A resolution was passed inviting the National Association of Insurance Agents to hold its mid-year meeting in Mississippi on the gulf coast. Harmony existed throughout the meetings. One of the few issues raised was the action of a few isolated stock agents brokering insurance for mutual agents. A resolution was passed censuring this practice and urging that everything possible be done to eliminate this evil which is directly contrary to the principles of the association.

McCord Stresses Education

Further development of the educational movement was stressed by L. P. McCord, of Jacksonville, Fla., chairman of the National association's educational committee. Plans are being made for the second Mississippi school to be held in Jackson, July 17-19. Mr. McCord praised the first Mississippi school and urged a big attendance at the July sessions. H. T. Holland, Jackson, told of the benefits of the educational movement.

Commissioner Williams of Mississippi in explaining the functions of the insurance department emphasized the fact that the interest of the public must be safeguarded at all times.

Agents were urged to prepare themselves for the inevitable changes in the business brought about by the operation of economic laws by Wade Fetzer, Jr., Chicago, National association executive committeeman. He endorsed the insurance school movement as one of the most important activities undertaken by the business.

Favors Local Boards

The importance of accident prevention was stressed by W. W. Weldon, Jr., safety director Standard Oil Company, Louisiana.

Advantages of local boards over regional districts were brought out by C. P. Gould, New Orleans, president of

(CONTINUED ON PAGE 11)

Newark Reinsures Liberty Fire

LOUISVILLE—The directors and stockholders of Liberty Fire of Louisville, doing a combined company and agency business, have agreed to liquidate the company, and reinsure its liability in Newark Fire of the Royal-Liverpool groups. Newark will write renewals of Liberty Fire in the newly formed Liberty Fire Underwriters, division of Newark Fire.

The Liberty Insurance Agency, incorporated last week by Adolph Reutlinger and associates, will continue the agency business of Liberty, hereafter doing merely an agency business. This agency will maintain its present organization, same officers and offices, and will continue representing the same companies as heretofore.

Adolph Reutlinger, president of Liberty Fire, and who heads the new Liberty agency, said that he had bought out the stockholders of Liberty Fire at \$80 a share.

Liberty Fire as at Dec. 31, 1939, reported assets \$559,483; premium reserve \$125,949; capital \$250,000; net surplus \$50,491; premiums written \$108,624; losses paid \$17,100; expenses \$185,477.

Liberty Fire was formed in 1854 to do a banking and insurance business as German Fire. In 1872 the banking business was made a separate institution as the German Insurance Bank. During the war both companies changed their name to Liberty. In 1936 the insurance company was entirely separated from the bank.

The companies in the old organization which are carried over into the new agency corporation are:

American Equitable, Central Fire, Hartford Fire, Fidelity & Guaranty Fire, North America, Commercial Union, Liverpool & London & Globe, Niagara, Phoenix of London, Pearl, Phoenix of Hartford, U. S. Fire, York-shire, Globe Indemnity, Provident Life & Accident, National Surety, Standard Surety & Casualty, Seaboard Surety and W. J. Roberts & Co.

Garlichs Urges Agents to Equip Themselves for Efficient Service

L. W. Garlichs of St. Joseph, Mo., member of the executive committee of the National Association of Insurance Agents, spoke before the annual meetings of the Nebraska association at Lincoln and the Oklahoma association at Enid, devoting his discourse to "Profit Through Agency Progress." He asserted that every producer should progress in the service he gives his assured to a sufficient point that he justifies making a profit for himself.

There are many persons, he said, who are licensed as agents who are not entitled to a place in the agency system. It is very necessary, Mr. Garlichs said, for agents to prove to the public that they are prepared to earn their profit the same as the retail or wholesale merchant. The first requirement, in his opinion, to develop an agent's service, is the pronounced need for more education. He said that many agents who fall in the class of order takers instead of salesmen do not keep well enough informed on the many changes occurring in the business.

A step in securing proper insurance education aside from reading trade papers and agency services is to attend some training course, whether it be a short course, extension course, correspondence course or what not. Mr. Garlichs said that agents can learn much by studying the methods and policies of those who have a flourishing business.

The annual outing for employees in the Chicago office of Standard Accident is to be held June 18 at Hieland Park, near St. Anne, Ill.

Harry F. Ogden Now F. & G. President

Former Chief Executive Officer of Baltimore Company Elected to Top Post

Harry F. Ogden, former vice-president and executive officer of Fidelity & Guaranty Fire, has now been elected president. Mr. Ogden had been vice-president of F. & G. Fire since its organization. At the same time Frank F. Dorsey was elected vice-president and secretary, and C. B. Gamble, vice-president.

Mr. Ogden was born in Baltimore in 1887. He graduated from the Univer-



HARRY F. OGDEN

sity of Maryland and practiced law in Baltimore from 1910 to 1917. He began his insurance career as an adjuster for Maryland Motor Car in 1918. The following year he was placed in charge of its claims department, and in 1923 elected vice-president and secretary. After the purchase of that company by Niagara Fire in 1926, he was elected vice-president of the Maryland, and was its executive officer in Baltimore.

He continued in that office until Fidelity & Guaranty Fire was organized in 1928. Mr. Ogden played a prominent part in the organization and was immediately elected vice-president in charge of fire operations in the east and also had nation-wide supervision of automobile until 1938 when he assumed the duties of vice-president and agency director. Upon the sudden death of President Frank A. Ganter last February Mr. Ogden was appointed to the office of executive in charge of all operations.

Mr. Ogden for many years has represented F. & G. Fire at meetings of the National Association of Insurance Agents and various state agent conventions.

Mr. Dorsey, who has been with F. & G. Fire since its organization, heretofore has been secretary. Mr. Gamble has also been secretary. It is understood he will now travel extensively, taking over much of the work in the field that had been done by Mr. Ogden.

State Farm Wyoming Meeting

The State Farm companies held an agency meeting in Laramie, Wyo. W. E. Searle, state director, was in charge. Special guests were C. E. Beadles, division manager, and M. I. Ashey, assistant division claim manager, from the home office.

Eugene H. Hanhart, Dover, O., local agent, has been elected president of the Dover chamber of commerce.

National Board Offers Services to U. S. in Defense

Leaders Recall Aid Given in World War at Annual Rally

NEW YORK—The seriousness of the war situation in Europe and the imperative need for this country preparing for any eventuality supplied the dominant note at the annual meeting of the National Board. References to the subject by President F. D. Layton and other speakers were attended closely, while the resolution offered by J. M. Thomas, president of National Union, as chairman of the executive committee, putting its facilities at the disposal of the federal government in carrying out its defense program, was promptly and unanimously adopted as were the changes in the by-laws to make such an offer operative.

R. M. Bissell, president of Hartford Fire, speaking in favor of aiding the government at this time, recalled the effective support rendered by the National Board during the world war days, when its engineers outlined methods for protecting the 50 cantonments built at the time. He pointed out that not one of the buildings suffered fire loss. Engineers also gave valuable recommendations as to the protection of grain warehouses, shipping centers and public utility properties.

Public Relations to Fore

Another subject that came prominently to the fore was that of public relations. Without underestimating in the least the accomplishments of the public relations committee of the board, C. F. Shallcross, United States manager of North British & Mercantile, asserted that no other industry at all comparable in importance to that of fire insurance, was so little understood or so lacking in general esteem. This is due, he opined, in large part to the fact that only limited funds have been appropriated in recent years for the work of the public relations committee. He urged that a more generous contribution be granted.

A plea for closer cooperation among the stock fire companies was made by Mr. Bissell, who warned executives against being lulled into a false sense of security because of the exceptional favorable loss experience during the five years prior to Jan. 1, 1940. He pointed out that since the beginning of the year, the loss trend had been upward. This trend on top of the rate reductions that have taken place since 1936, calls for the closest adherence to sound underwriting practices and rate promulgations, he declared.

Layton's Address Applauded

The address of President Layton maintained the understanding of underwriting and general business conditions, and clarity and force in expression which members have learned to expect from the chief executive. It elicited warm commendation in subsequent remarks by James Wyper, vice-president of Hartford Fire, who requested that it be placed in the hand of large assured and editors.

That all former officers would be re-elected was taken for granted. The continuing officers are: President, F. D. Layton, president National Fire; vice-president, R. P. Barbour, United States manager Northern Assurance; secretary, Sumner Ballard, president International; treasurer, B. M. Culver, president Con-

(CONTINUED ON PAGE 10)

Simplified Rate Card Appreciated

Sheets Accompanying New Auto Manuals Make Agents' Work Easier

NEW YORK—The new automobile rates promulgated by the National Automobile Underwriters Association that became effective Monday of this week in most states are on the whole about the same as the former tariff. There are changes here and there but the purpose was to get a schedule of rates that would produce about the same unit premium. There were significant changes in Illinois and Chicago, which were reported last week. One of the points at which there has been a decided change is Kansas City where the theft rates are considerably lower. There has been no change in the Kansas City schedule since 1937.

The rate and premium schedule card which accompanies the manual has been expanded and by using this pamphlet the agent will have to go to the manual but rarely.

All cars are now placed in one column for both comprehensive and collision whereas in the past there have been five groupings of cars for comprehensive. The new procedure is modeled after that which has been in effect in Michigan. The subdivisions are based upon list price for both comprehensive and collision but it is not necessary for the agent to take list price into account. For each car model there is a symbol. Taking the symbol and referring to the age of the car the agent can read across to get the actual value premium for comprehensive in the particular territory and in the same line is given the premium for convertible collision, \$25, \$50 and \$100 deductible.

Stated Amount Rates

Another table in the card gives the rate, as distinguished from the premium, where the business is to be written on a stated amount basis.

There are no quotations in the chart separately for fire or theft, the idea being to emphasize comprehensive coverage. If the regular fire and theft rate is desired, that can be located in the manual itself.

Another important change is the provision for writing farm tractors under the automobile policy. In the past such tractors could be written only as farm property in the regular farm policy. The tractor can be insured against fire, theft, tornado and collision. The combined fire, theft and tornado rate is in the neighborhood of \$1 in most states. This is far lower than the rate when written under the regular farm policy. For collision the charge is 50 percent of the local hauling commercial premium. There is a minimum premium in most states of \$5. In Illinois it is \$3. The companies anticipate that what business they get will be largely through banks which extend credit for purchase of this equipment.

Road Service Contract

The so-called towing and road service expense contract has been eliminated. This sold at \$2. The broader towing and emergency service expense endorsement is retained and the price of this coverage has been reduced from \$3 to \$2.

The fire rates for dealers' automobiles are reduced generally and the theft rates have been reduced in certain places.

The manuals have been placed in use in most of the states. There will be no new filing, however, at this time in Kansas, since rates were filed there last fall.

Due partly to the absence of Com-



AT NATIONAL BOARD GATHERING:

Top (left to right)—A. E. Gilbert, vice-president Hanover, and Grant Bulkley, vice-president Springfield F. & M.

Center—C. E. Case, assistant U. S. manager North British & Mercantile, and G. W. Lilly, general manager Fire Companies' Adjustment Bureau.

Bottom—R. R. Martin, U. S. manager Atlas, and P. J. Priore, assistant U. S. manager Sun.

missioner Read of Oklahoma, action by that department on the revised figures has been delayed.

The N.A.U.A. has no control over rates in Louisiana, Michigan, Mississippi, Texas and Virginia, and existing rates in such states continue in force.

W. M. Speth, a senior examiner of America Fore western department has

two sons who have been awarded scholarships. Raymon E. Speth who is graduating from the Oak Park-River Forest Township High School, has been awarded a four-year scholarship at the University of Rochester. William M. Speth, Jr., who is completing his junior year at Armour Institute of Technology, has been awarded a four-year scholarship in fire prevention engineering.

Names Four New Regional Managers

Royal-Liverpool Places Whitehead, Hall, Baldwin, and Ward in Key Posts

In furtherance of its program of regional supervision, Royal-Liverpool has appointed four new regional managers.

C. R. Whitehead, with headquarters in the Commonwealth Building, Pittsburgh, becomes regional manager for Pennsylvania except Philadelphia. Mr. Whitehead has held various executive positions in the office and field.

J. M. Hall becomes regional manager for West Virginia, Maryland, Delaware and the District of Columbia with headquarters at 439 Chestnut street, Philadelphia. Heretofore he has been in the West Virginia field with headquarters at Wheeling.

W. O. Baldwin becomes regional manager for New York state, exclusive of New York City and suburban. His headquarters are in the Chimes building, Syracuse. For many years he has traveled in parts of the New York field.

John Ward N. J. Manager

John Ward becomes regional manager for New Jersey, except for the territory supervised from Newark and Philadelphia. His headquarters are at 41 Clinton street, Newark. Lately he has been special representative of the brokerage, general cover and special service department, and previously traveled in New Jersey.

A number of field changes are also announced.

Donald Munsie, who has been connected with the underwriting department at the head office, is transferred to the Pennsylvania field with headquarters in Harrisburg.

Thomas Kelleher, who has been connected with the educational department becomes special agent in New Jersey with headquarters in the Colt building, Paterson. State Agent W. H. Labagh is also moving his headquarters to Paterson.

Arthur Hogan of the educational department becomes special agent in New Jersey with headquarters in the Broad Street Bank building, Trenton. State Agent T. F. Byrne is also moving his headquarters there.

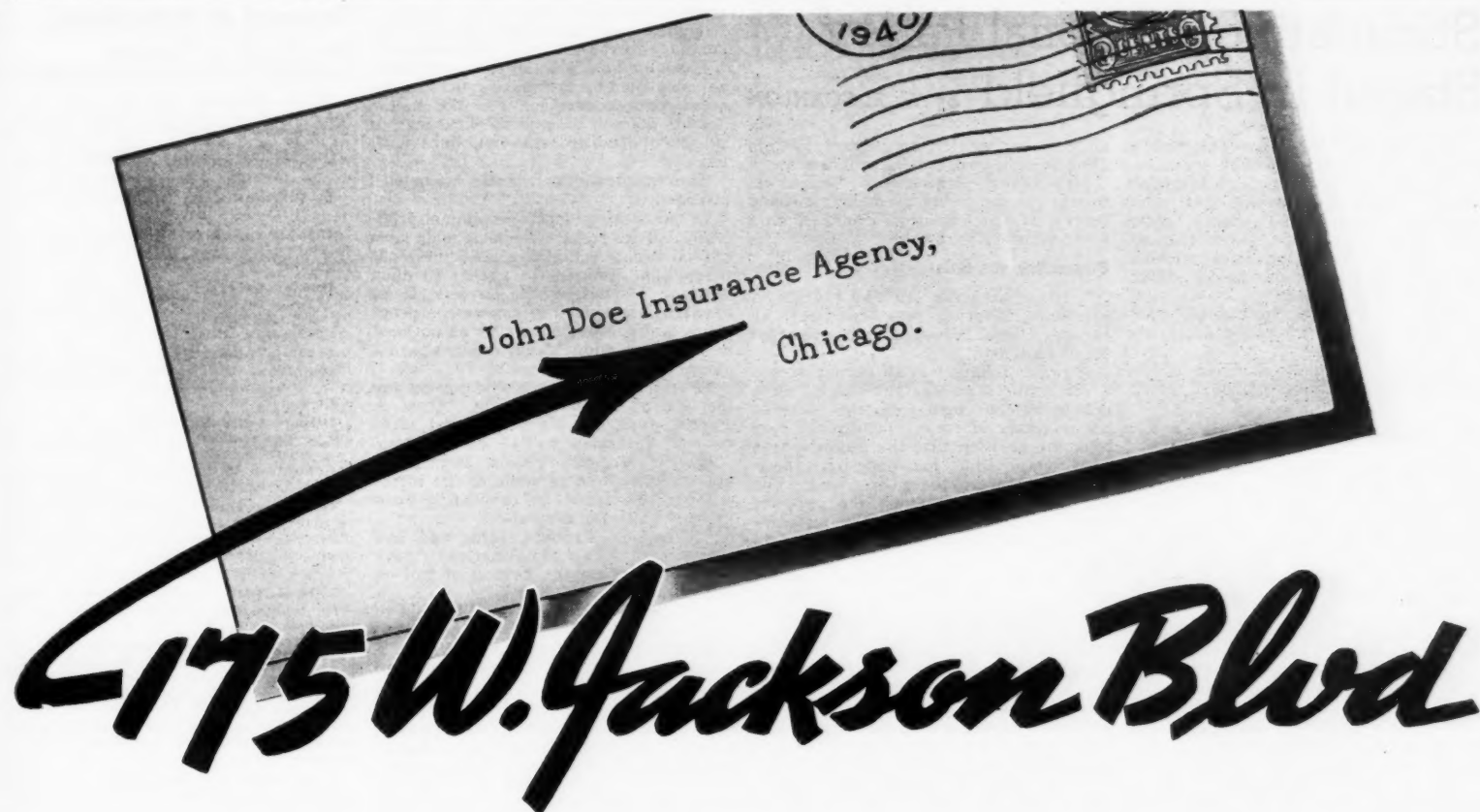
State Agent T. V. Graham has been transferred from Arkansas to the New Jersey field with headquarters at 41 Clinton street, Newark.

H. C. Pitot, formerly special agent in Alabama and Louisiana, is appointed special representative in the brokerage and service departments in New York. W. T. Spiegelberg, who has had experience as special agent in South Carolina and New Jersey, also becomes special representative in that department.

John Hanretty, who has been connected with the underwriting department in New York, is transferred to the Virginia field with headquarters at Roanoke.

Montana Will Appeal Countersignature Case

Commissioner Holmes of Montana announces that he will appeal the case brought in the federal court by the Springfield F. & M. and New Brunswick Fire, testing the counter-signature law of the state, which was decided in favor of the companies by the U. S. circuit court. The federal court granted the companies permanent restraining order denying the insurance department the right to suspend or refuse to renew their license to do business in Montana. The law was held to be unconstitutional. In view of the recent U. S. Supreme Court decision in the Virginia case, there may be a reversal.



It is only natural for producers, prospects, policyholders and even mail carriers and postal clerks to assume that your Chicago insurance address is *175 West Jackson Blvd.*

Hence, the reason for the dozens of calls and inquiries that are received daily by the Insurance Exchange Building, either through its office or elevator starters, concerning some insurance company or agency whose offices are located elsewhere in Chicago.

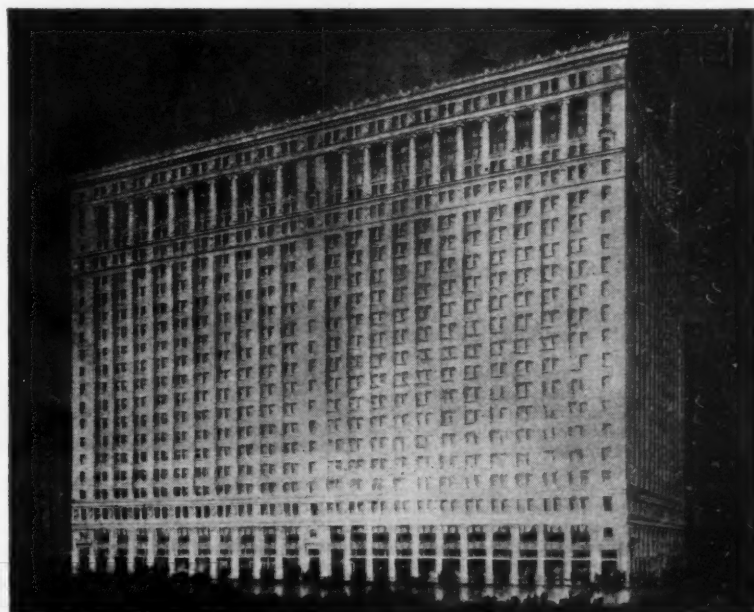
175 West Jackson Boulevard is an address synonymous with insurance not only in Chicago and the Middle West, but also the entire country. Nowhere else will you find such a great centralization of the insurance business in one area. Thus, it is only natural and logical for company officials, branch office managers and leading agencies to select as their Chicago headquarters, the **INSURANCE EXCHANGE BUILDING.**

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R. C. Swanson, Manager

*Insurance
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Building*

175 WEST JACKSON BOULEVARD
CHICAGO



Stimulating Regional Parley Staged in Springfield

By W. A. SCANLON

SPRINGFIELD, ILL.—The fifth of a series of regional meetings sponsored by the Illinois Association of Insurance Agents was held here with 180 in attendance. Lyle H. Gift, Peoria, president Illinois association, stated that approximately 750 persons have attended the five regional meetings held in different parts of the state.

Ross L. Weller, Springfield, vice-president Region 5, presided at the morning session.

President Lawrence E. Head of the Springfield association extended greetings.

Short Course to Be Repeated

Frank Smith, Urbana, chairman legislative committee, said the state's first short course at the University of Illinois was very successful and that a similar course would be conducted next year. There is a trend for more and better education as agents are interested in equipping themselves to do a better job, he said.

More business interruption insurance would be written if agents would get over the idea it is too complicated, William S. Ellis, assistant Chicago manager Royal-Liverpool group, said.

Fire and allied lines forms were discussed by H. O. Snediker, Western Actuarial Bureau, Chicago.

Alvin S. Keys, Springfield, national councillor, stressed the value of organization, pointing out that much had been accomplished by the local, state and National association. He urged every effort to get agents to join the association. The fact that so many of the most important men in the business give their time to organization work is significant of its importance. Today, more than ever before, organizations are necessary. An agent who is a salesman should first sell himself on joining his own trade organization and until he does that he is hardly able to sell the public, Mr. Keys declared.

Must Be Entitled to Commission

It is up to the agent to show the companies and the public by service that he is entitled to the commission he receives, Mr. Keys stated. Business is becoming more complicated every day and an agent is expected to be well informed so as to better serve the public. The companies are doing their job well and agents could do much to help by cooperating with them.

The public is requiring broader coverage and is intolerant of the technicalities. The electric exemption clause, the refusal on the part of some companies to pay scorch losses and limited personal property floater forms irritate the public, he said. In the writing of automobile, the companies in discriminating against groups as classes or races are providing a real problem. He cautioned agents that unless the companies broaden their attitude on this situation, it will likely lead to a demand for compulsory insurance. The companies should give thought to this, he declared.

At the afternoon session N. McCullough Winters, Quincy, chairman casualty and surety committee, presided.

L. H. Glens, Springfield, of the Illinois Municipal League, gave a talk on the potential value of local boards to municipalities.

Mr. Glens explained the functions of the Illinois Municipal League which since 1937, has been collecting the fire department insurance tax. Although some agents objected to the procedure at first because they felt they obtained good will by paying the tax themselves, the opposition has been reduced as the new system relieves the agent from the work of compiling the gross figures on premiums received. Under the present system, the companies pay the tax on

all business written on property within a municipality, regardless of its source.

Mr. Glens pointed out how local boards can aid a city by making specific surveys and arranging its insurance on a more satisfactory basis.

Streamline the Sale

"Streamlining the sale" by the use of premium financing was discussed by Henry Olson, Chicago, vice-president First Bancredit.

A rather unique way of getting across a safety message was the staging of a debate by four men from the office of the secretary of state. Two of the men took the position that the motorist was more responsible for pedestrian accidents than were the pedestrians while the other two men took the opposite side. At the conclusion, the audience decided that the motorist was more to blame.

L. E. Morris, Collinsville, whose talk at the regional meeting at Belleville went over so well, repeated it. He covered pointers for insurance sellers.

In his talk on "What's New in the Casualty Business," Robert H. Ramey, Peoria Travelers manager, said that 75 percent of all the casualty business is written by 25 percent of the agents. Too many agents are overlooking many opportunities for new business. The policyholders needs should be analyzed and policies to fit those needs should be sold, he said. Many agents do not tell the policyholder of the many coverages. "Tell him about the coverages and let the policyholder say No," Mr. Ramey urged.

Mr. Ramey said that 90 percent of the agents complicate the sale by going too

much into detail about the contract. "Simplify your sales talk and talk the language of the prospect," he declared.

Casualty field men often waste much valuable time by not making definite appointments convenient for the agent. Agents do well to quiz the field man at every opportunity regarding lines written.

The luncheon conferences were well attended.

In discussing farm insurance problems, W. R. Sickafus, Springfield, farm special agent Aetna Fire, said there are many opportunities for agents to do a better job of selling the farmer. If an agent will intelligently survey the properties and suggest coverages as outlined in the application blank, much new insurance can be written.

Mr. Sickafus urged attendance at the meeting of the farm writing agents in Peoria, June 5. Many practical ideas on farm insurance will be discussed.

W. A. McNeill, Peoria, farm state agent Home, told of some of the methods used by agents in preventing business going to the mutuals.

Ed Dennis, Chicago, farm and hail special agent Great American, gave some pointers on the writing of hail on growing crops.

John V. Gauer, Morrisonville, told of his success in writing the extended coverage endorsement on farm properties.

Stanley Bodman, St. Louis, special agent Marine Office of America, at the inland marine forum, said 50 percent of the inland marine comes from three classes: personal property floater, jewelry floater and motor truck cargo. If the agents master these lines, 50 percent of the inland marine coverage would be taken care of. If an agent wishes to compete for this business he must keep informed.

The fidelity and surety forum was addressed by Robert F. Munsell, Chicago, superintendent surety department Columbia Casualty.

Cecil Thomas, Springfield, led the dis-

Scanned at Springfield Regional of Agents

W. H. Jennings, Jr., Rockford, chairman board of directors Illinois association, who originated the idea of holding the regional meetings which have proven so successful, was much in evidence during all the sessions.

K. R. Dunkin, St. Louis assistant manager Travelers, attended.

Illinois Casualty of Springfield entertained a number of its agents at a luncheon.

Dudley Giberson, Alton, vice-president Illinois association, who was a big factor in the staging of the regional meeting at Belleville, was on hand.

William Booth, Springfield, one of the wheelhorses of the Springfield association, was unable to attend because of illness.

Illinois National Casualty, a local company, maintained headquarters at the convention hotel.

According to custom, the Royal-Liverpool distributed spiral memoranda books.

Insurance Director Palmer was unable to attend, but the insurance department was well represented by J. O. Brown, superintendent of licenses, who spoke at the banquet.

Lyle H. Gift, Peoria, president Illinois Association, was able to toastmaster at the banquet.

Allen T. Gordon, Springfield, president of the Rotary Club of Springfield and legislative secretary Illinois Manufacturers Association, spoke at the banquet. He called upon all Americans to become active in suppressing those who are trying to undermine our democratic form of government.

L. E. Morris, Collinsville, one of the speakers, announced the arrival of a baby daughter.

cussion on the revised HOLC insurance agreement with the Stock Company Association.

Mr. Thomas reviewed the new contract. The agents are much interested but as yet are somewhat in the dark as to the details of how this business will be handled. Those present said that as yet no commission checks had been received.

Boost War Risk Rate to English and French Ports

NEW YORK—Coincident with news of the surrender of the Belgian army, marine underwriters here announced that rates for war risk coverage on shipments to and from the United Kingdom and French channel ports will be quoted on application only. For shipments to the west coast of Great Britain, including all northern Ireland ports and those of the Irish Free State, rates were raised to 4 percent on imports and 6 percent on exports, an advance of 1 per cent and ½ percent respectively. Shipments to French Atlantic ports, south of Brest, will be charged 3 percent as against 2 percent previously, the import rate being increased to 4 percent from 2½. While the bulk of war risk coverage on British and French shipments is carried by the British War-Risk Insurance Exchange, a considerable percentage is insured in the American market.

Scarborough Host to Ill. Bankers

Henry Scarborough, Jr., London Lloyds and Peerless Casualty representative of Chicago, was host at a luncheon to a large number of those attending the convention of the Illinois Bankers Association in Chicago this week. He controls the bond business of many Illinois banks.

E. P. Ressler, Indiana special agent of National Fire, was called to Chicago Monday by the death of his father, Frank Ressler.

The Seattle Blanket Club will hold its employers' night June 11. George W. Clarke, Seattle insurance attorney, will be toastmaster.



BETWEEN SESSIONS AT NATIONAL BOARD MEET:

Top (left to right)—W. S. Roembke, manager Sprinkler Leakage Conference; C. W. Johnson, assistant secretary North America; and Percy Bugbee, general manager National Fire Protection Association.

Bottom—J. R. Dumont, manager Interstate Underwriters Board; Leon A. Watson, expert of the New Jersey Schedule Rating Office, and Lloyd T. Wheeler, manager-secretary Southeastern Underwriters Association.

Pink Speaks About Foreign Companies

New York Superintendent Declares These Institutions Are Perfectly Safe

Superintendent Pink of New York, in his talk before the New York City Life Underwriters Association and members of the bar of the metropolitan New York area, took up the subject of the situation of foreign companies operating in the United States with the terrific catastrophe on the other side. There are 92 foreign companies in the United States and 82 of these operate in New York. All but 14 of the foreign companies entered through New York and are supervised there. In New York there are 65 fire and marine, 10 casualty and surety, four life and three fraternal that are foreign. There are 43 British, 12 Canadian, five French, four Swiss, three Chinese, three Japanese, two Danish, two Swedish, two Australian and two New Zealand. India, Norway, Spain, Holland and Italy have one each.

These foreign branches write approximately 12½ percent of the fire and marine, 2½ percent of the life and casualty and a little less than 4½ of the fraternal life insurance business in the United States. The figures do not include London Lloyds which does a large reinsurance, excess and direct business.

Superintendent Pink said that in reply to the question now so often asked, "Are these foreign companies safe?" the answer is "Yes, they are." He explained that they are required to meet the same general requirements for capital, surplus and reserves as domestic companies. Their funds are deposited in this country with state supervisors and trustees. The United States branches are subject to the same supervision as domestic companies. None of their trust funds can be withdrawn without the consent of the department. Superintendent Pink said the New York department is naturally more conservative in permitting withdrawals in times such as these.

Had a Remarkable Record

The foreign companies, he said, have had a remarkable record in this country, due not only to their stability but to the wise laws which have been enacted and the supervision of state departments. In addition to the statutory demands there are certain free funds in the hands of United States managers which under the law they may remit to the home offices but under a ruling of the New York department the consent of the superintendent is required. Then there are the general assets, located largely in the country of the domicile, which are responsible for debts wherever a company does business.

Mr. Pink said the record of financial solvency of the foreign branches has been a noteworthy one. There have been very few losses to policyholders and certainly none for the last 25 years.

The speaker said there has been considerable criticism of the large volume of business done here by the foreign companies and by others owned by foreign capital. He added, "But it is to the credit of American insurance companies that for the most part they have not taken advantage of the present situation in a competitive spirit. It is recognized in insurance circles that the United States branches of foreign companies are financially sound. They have earned an honorable place in the annals of American insurance."

Controllers Muster to Have One Session on Insurance

An entire session is to be devoted to insurance at the controllers congress of the National Retail Dry Goods Association in Chicago the week of June 17. The insurance session is scheduled for

the morning of June 19. The chairman will be L. L. Kinsey of the M. O'Neil Company, Akron, O.

"What are insurance buyers doing to improve insurance coverage?" will be discussed by W. G. Morrison, Associated Dry Goods Corporation; "What can be done to control liability insurance cost?" James E. Hoff, president T. E. Brennan Company, Supervisory Insurance Service of Milwaukee; "What constitutes adequate fidelity coverage and how can it be obtained at low cost?" L. V. Palmer, vice-president Allied Mutual of Kansas City. The discussion leader is T. C. Sperry of the Lamson Bros. Company, Toledo.

Dan Boney Renominated as N. C. Commissioner

RALEIGH—Dan C. Boney was renominated for insurance commissioner of North Carolina over William B. Oliver of Fuquay Springs in the Democratic primary May 25 by a majority of approximately 2½ to one. In this state, of course, nomination by Democratic primary is equivalent to election.

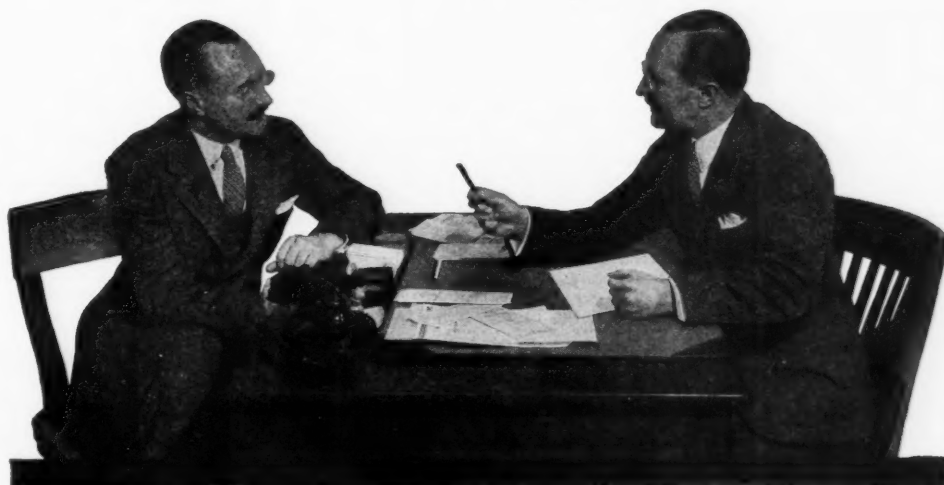
Mr. Boney has been North Carolina commissioner 13 years and is one of the most valued members of the National Association of Insurance Commission-

ers, always prominent in its work.

Mr. Boney in his campaign literature stressed that during his service not a single North Carolina life insurance company has failed, and claimed that he "has engineered and secured reductions in fire insurance rates for the past six years of more than \$6,000,000."

Clifford Conly, Pacific Coast manager Great American and Phoenix, flew to Seattle to attend the funeral of his sister-in-law.

Read "Fidelity & Surety Bonding" by G. R. Wentz. 400 pages. Price \$2. Order from National Underwriter.



Ask yourself this question

"If my client had an automobile accident 1,000 miles from home, would his loss be adjusted as quickly as if it had happened in front of my office?"... If placed in a company of Fireman's Fund Group, "Yes!"... Fireman's Fund was the first company to write automobile lines through agents on a nationwide basis, and has as its backlog, an accumulated experience of settling claims speedily anywhere in the country... By representing a company of Fireman's Fund Group, you can give your clients full protection and a loss service that follows wherever they may drive.

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VIEWED FROM NEW YORK

By GEORGE A. WATSON

STRICKLAND IN THE FIELD

W. A. Strickland, assistant cashier of the Brooklyn office of the Travelers Fire and Charter Oak Fire, has been appointed special agent with headquarters at the same office. He is a native of Brooklyn and in 1927 entered the employ of the Northern Assurance after completing his education. He went to the Travelers in 1930 and has since been in the Brooklyn office, first as counter-man and then as assistant cashier in charge of the fire detail.

HAZARDS OF STRAW HAT MAKERS

At the annual meeting of the Fire Insurance Examiners Association of New York Joseph McGann discussed hazards in the straw hat industry and F. J. De Loree urged the prosecution of an aggressive membership effort. P. J. Buchmann, New York Underwriters, was elected president and the rest of the slate recommended by the nominating committee was elected.

C. L. SIMPSON TO RETIRE

After 20 years of highly efficient service as manager of the actuarial bureau of the National Board, C. L. Simpson will retire July 1. He plans to do considerable traveling. Years ago he found a practical outlet for his penchant for mathematics as an employee of the New York branch of the Hongkong-Shanghai Bank, where his work was of such character as to induce his call to head the loss tabulation department of the National Board in 1920.

"FIRE INSURANCE UNDERWRITING"

The McGraw-Hill Company of New York has brought out a new book, "Fire Insurance Underwriting," by Prentiss B. Reed, well known New York City adjuster, who is on the faculty of Columbia University as an insurance lecturer. It sells for \$4 and can be purchased from The National Underwriter Company.

In the book Mr. Reed shows what underwriters must consider before accepting business, where they find information to guide them and how they should formulate their decisions. He said that underwriting is a combination of producing and selecting business and distributing amount at risk. To succeed the underwriter must produce enough business to support his organization, must select it and must distribute amount at risk so that he will consistently show a profit, or if his organization is a mutual company, assure the regular payment of dividends. The book should enable a reader to familiarize himself with the work of underwriting by informing him what is done, why it is done and how it is done. It is a book that is well worth possessing and all interested in the subject should have it as a reference work.

INQUIRIES AS TO VANDALISM

With the vast publicity in the United States regarding military preparations and the fear that has been injected into the people now and then there is a demand for vandalism and malicious mischief cover due to enemy sympathizers that might stop machinery, blow up factories, etc. Damage done by an agent of an enemy can be covered either by the limited or full coverage vandalism rider. It can be attached to a fire policy which carries extended cover or to the riot and civil commotion policy. Under the limited form the assured must prove that the damage was done by an agent of an enemy, which is not the case in the broader form.

MORE REINSURANCE OFFERED

There is more reinsurance being offered than for many years heretofore. This is due to the fact that companies that have an excess cover arrangement are somewhat doubtful as to the situa-

tion in view of the war and, therefore, are beginning to hedge. Therefore lines are being offered as reinsurance to other companies with the thought in mind that if the excess cover became impaired the primary company would not be left so long in the cold.

WATCHMAN'S HANDBOOK ISSUED

American District Telegraph has issued the "Watchman's Handbook," a manual of instruction and useful information for watchmen, superintendents, and others whose duties include protection against fire and burglary. A 64-page pocket-size book, the new publication has brought enthusiastic responses from all who have received it, including state and local boards and bureaus. No charge is made for the book.

As a result of 160 letters which the A.D.T. sent to insurance bureau managers throughout the country, requests for more than 2,000 books have already come in. Because of these and other requirements, the initial printing of 5,000 copies has already been exhausted and a second edition of 10,000 is on the press. The book takes up every phase of the watchman's duties, whether related to the use of signaling equipment or not. The book brings together in compact form all the information available from

various sources and the broad practical experience of the A.D.T.

It is anticipated that there will be a wide demand for the book. Copies may be obtained gratis in any amount by addressing J. L. Husman, vice-president A.D.T., 155 Sixth avenue, New York City.

INSURANCE SOCIETY ELECTION

New officers of the Insurance Society of New York are: President, J. J. King, president Hooper-Holmes Bureau; vice-president, W. G. Minner, president Minner & Barnett, and W. A. Riordan, assistant general manager Aetna Life companies; secretary, E. R. Hardy; treasurer, F. F. Koehler; directors, W. F. Beyer, vice-president Home; F. A. Christensen, vice-president America Fore; W. M. Cotterell, president Cotterell, Moore & Mitchell; E. W. Elwell, U. S. manager Royal Exchange; A. J. Smith, president, Zweig, Smith & Co., and J. J. Magrath, Chubb & Son.

Raymond Rebsaman of Rebsaman & East, Little Rock local agents, was the commencement speaker at Subiaco College, Subiaco, Ark., and received the honorary degree of Litt.D.

John H. Martin, assistant manager of the Standard Forms Bureau, San Francisco, is in Chicago for his organization. Later he will visit New York, returning to his headquarters in about two weeks.

Again at the Head



JOHN J. KING

J. J. King of New York City, head of the Hooper-Holmes Bureau again becomes president of the New York Insurance Society.

Farm Fires in Bay State Are Analyzed as to Cause

Defective chimneys and heating apparatus head the list of causes of farm losses in Massachusetts, it was revealed in the annual report of Howard S. Russell, manager of the Mutual Farm Underwriters before the annual meeting in Boston. Chimney and heating fires accounted for 41 percent of all farm fires. The next offender was lightning which, with other minor external causes, started 28 percent of the farm fires. Other causes listed are: Lighting, 5 percent; matches and smoking, 5 percent; manufacturing and mechanical, 4 percent; spontaneous combustion, 3 percent; moral and personal, 2 percent; unknown, 12 percent. Out buildings showed an 83 percent greater loss than dwellings.

Prof. C. I. Gunness of Massachusetts State College warned that farm fires from spontaneous combustion are on the increase. L. H. Litchfield, International Harvester Company, gave an illustrated talk "Beating Old Man Weather," which showed how the spontaneous combustion hazard is eliminated through the process of ensiling uncured hay.

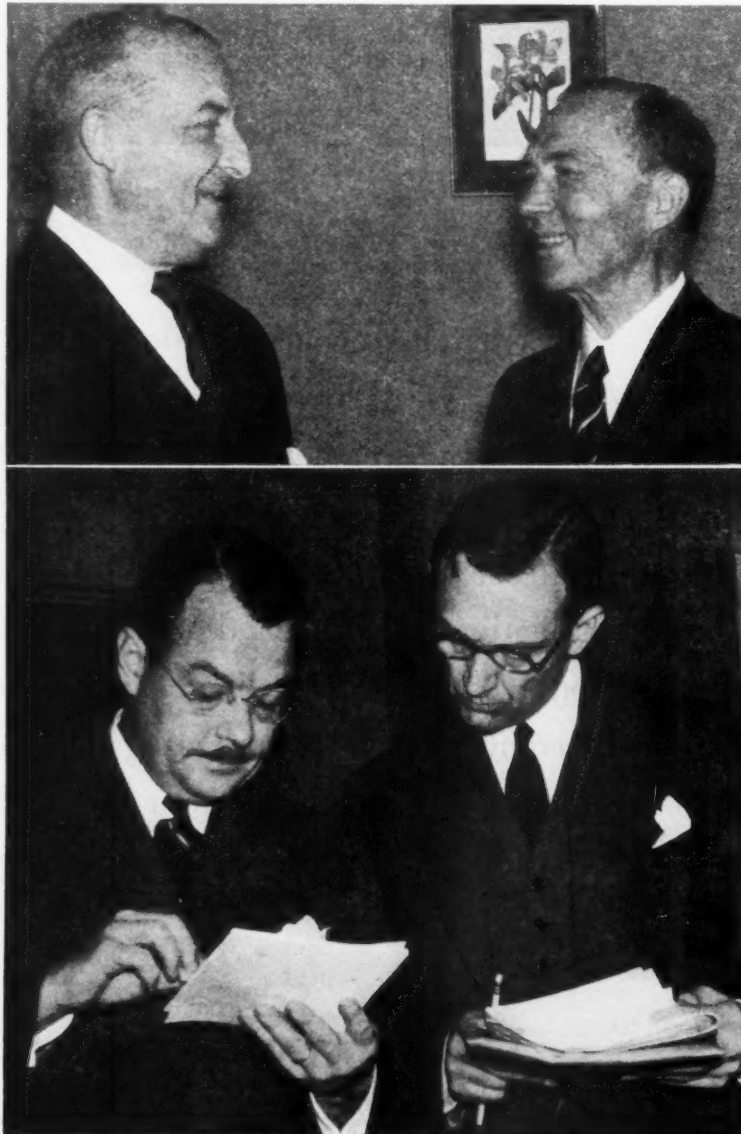
Perley B. Rawding, secretary of Salem Mutual Fire, was elected to the board to succeed Harold K. Bartlett, assistant secretary of Traders & Mechanics of Lowell, the retiring chairman. Other members are Harvey MacArthur, secretary Quincy Mutual Fire, and N. M. Knowlton, vice-president Holyoke Mutual.

Lucas Loses Rate Case Move

KANSAS CITY—The effort of Superintendent Lucas to recover \$390,768 from the Central Missouri Trust of Jefferson City, the amount of the funds impounded in Cole county under the old 10 percent restitution case, failed here this week when Circuit Judge Ridge denied the petition. Judge Ridge held that the Cole county court acted legally when it named the trust company a depository and also when it acknowledged numerous checks drawn against the fund by court order. Most of the funds so expended went to lawyers and others as fees. Remainder of the fund, \$2,751,256 in November, 1939, was ordered by the Cole county court to be turned over to the insurance superintendent.

The annual golf tournament and horseshoe pitching contest of the Insurance Accountants Association of San Francisco is being held Friday, followed by a banquet.

American Motorists and Calvert Fire applied for California licenses.



PROMINENT AT NATIONAL BOARD PARLEY:

Top (left to right)—E. W. Nourse, U. S. manager London Assurance, and R. P. Barbour, U. S. manager Northern Assurance.
Bottom—H. K. Schaufli, assistant manager, and A. Wilbur Nelson, assistant to general manager, National Board.

AS SEEN FROM CHICAGO

CHICAGO BOARD GOLF OUTING PLANS

The annual golf tournament and outing of the Chicago Board, being held this year at the La Grange Country Club on June 12, will be an all-day affair. Golf, swimming, lunch, dinner, entertainment by Bill Olson and his strollers, novelty orchestra, and prizes including windbreaker jackets, cocktail ice containers and golf balls, will be all part of the day's fun.

D. P. Skaer, Chicago Board, in charge of golf arrangements, and W. J. Lorber, Rollins-Burdick-Hunter Company, chairman of the goodfellowship committee, want to emphasize that it will start at 9 a. m. sharp. There will be an all day handicap tournament divided into three classes.

Attendance will be limited to metropolitan supervising members and the guests of members, executives of companies, associations and bureaus. Invitations are subject to the approval of and will be extended by the fellowship committee.

A. M. RAYMOND TO RETURN

A. M. Raymond, formerly Cook county manager of the Travelers Fire, who retired from business a few months ago, and on his way to Florida with Mrs. Raymond met with a serious automobile accident at Valdosta, Ga., that confined him to a hospital for a number of weeks, expects to return to his home in Oak Park, Ill., by next week. Following their hospital experience, Mr. and Mrs. Raymond later on journeyed to Florida where they have been recuperating. Both were very severely injured.

WILL HONOR J. S. KEMPER

The American Mutual Alliance and affiliated institutions will give a dinner at the Blackstone Hotel, Chicago, the evening of June 11 in honor of J. S. Kemper, president Lumbermen's Mutual Casualty, American Motorists and National Retailers Mutual Fire, due to his election as president of the United States Chamber of Commerce. Mr. Kemper is one of the important factors in the mutual organizations.

NATIONAL BOARD CHICAGO REPORT

In the new report on Chicago by the National Board the fire department auxiliaries are declared to be in good condition. The salvage corps is well equipped, effective in operation and the state fire marshal and corporation counsel have adequate authority. The police cooperate with the fire and building department, telephone service is widely distributed and much used for reporting fires, public service corporations receive alarms and render assistance, private fire protection of value is afforded to individual plants, considerable outside aid is readily available and considerable fire alarm and sprinkler supervisory service is supplied.

In a summary of fire fighting facilities the National Board comments on the adequate water supply works available in all important sections. The fire department is large and effective, but the fire alarm system is inadequate, heavily overloaded with numerous features of unreliability.

While the new building code was declared to be comprehensive, it was said to be somewhat deficient in several construction features necessary to restrict the spread of fire. There is good enforcement of the code and the fire limits are of ample extent. Structural conditions in congested value districts are somewhat improved in recent years by removal of several old and fire-resistively weak buildings, but a number of groups of such buildings still remain in some districts.

River Forms Fire Break

Because the congested value district is divided by the river, this forms a valuable fire break. The considerable amount of and well distributed improved

construction, much of which has window protection, and the moderate amount of private fire protection, combined, form valuable fire stops. The width of the streets and the strength of the fire fighting facilities make the probability hazard in the district low. However, in some blocks group construction of readily burnable character and numerous alleys and narrow streets create the danger of fires involving a block or group of blocks.

In the stock yards and packing house district the potential hazard is high and fires might develop into conflagrations. In other districts the higher values are generally separated and fires should be confined to the groups of origin.

HARTFORD'S OFFICES REARRANGED

The western department of Hartford Fire has renewed for a long term its lease in the Wrigley building, Chicago, and the layout is being altered somewhat. Heretofore Hartford Fire has occupied the entire 11th and 12th floors and has also had departments on the 10th and 13th floors. Now the quarters of Hartford Livestock, the livestock department of Hartford Fire and the

legal department are being moved from the 13th floor to the 10th floor so that Hartford Fire will now occupy practically the entire 10th floor. It is giving up all of its space on the 13th.

JAMES & CO. PICNIC JUNE 11

The annual picnic and golf tournament of the Employees Club of Fred S. James & Co., Chicago, will be held June 11 at Lincolnshire country club near Crete, Ill. H. F. Nottelmann is entertainment chairman.

Kent Early is transportation chairman, Norman Lenz in charge of the golf tournament, Robert Woods handling the men's softball game and Lorraine Bach and Lowene Beem the women's softball game.

COOK COUNTY FIELD CLUB OUTING

The Cook County Field Club will hold its annual summer outing June 28 at the Big Run Golf Club. G. F. Hoppe, Moore, Case, Lyman & Hubbard, is in charge of arrangements.

Ohio Farmers Host to Agency Girls

The biennial meeting of the Ohio Farmers agency girls was held at the home office at LeRoy, O. Tours through the home office were conducted and golf was played on the company's course. The banquet was attended by 200, there

Fire-Casualty Lines Due for TNEC Probe

WASHINGTON—What many regard as a reasonably accurate picture of the probable final results of the TNEC investigation of life insurance was given here this week in an informal, off-the-record talk by an attache of the Security & Exchange Commission who has followed every phase of the investigation since the first hearings were held.

Speaking unofficially, he said that late this year or early in 1941 the TNEC will conduct an investigation of the fire and casualty business similar in its scope to the probe which has been made of life insurance.

was a current events lecture and reception.

At the business session, Secretary J. C. Hiestand presided. Greetings were extended by President F. H. Hawley. Explanatory selling talks were made by P. A. Wilder, farm department; J. W. McKeown, casualty; D. P. Ely on production, and J. R. Hamilton on fire underwriting. The closing address was given by Executive Vice-president C. D. McVay.

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Gives Facts Regarding HOLC Insurance Plan

E. Adrian Teaf of Philadelphia made some personal observations on the Home Owners Loan Corporation plan at the Ohio agents meeting. He does a general insurance business. He was a former employee of the HOLC but he spoke without in any way representing the organization. During the three-year period ending in 1936 the HOLC refinanced approximately 1,000,000 mortgage loans of distressed home owners who were in default. These loans totaled more than \$3,000,000,000. This refinancing directly protected about one-tenth of all owner-occupants of non-farm homes. The low cost mortgage loans of the HOLC, he said, repayable in small monthly instalments over a 15 year period, have afforded substantial relief to distressed borrowers.

Charged to Loan Account

Where the mortgagor does not provide sufficient insurance or neglects to purchase any, the HOLC is obliged to purchase coverage for its own protection and the cost is added to the loan account. In order to secure the necessary coverage in these cases, and also in the case of foreclosed property, in its early days it negotiated a contract with Hartford Fire. There was considerable objection to this arrangement by agents of other companies and hence the Stock Company Association and the Mutual Company Association came into being. There were 140 companies represented in the Stock Company Association and 22 in the mutual.

After four years HOLC found its loss ratio extremely low. Last year it inaugurated a study of its entire insurance program with a view of reducing expenses. Mr. Teaf was one of those who helped to make the study.

Should Use Contract Carriers

He said it is estimated that by the end of the present fiscal year, June 30, approximately one-third of the HOLC mortgagors will be participating in the new insurance procedure. Where monthly sums are thereby accumulated for the payment of the mortgagor's insurance, the HOLC requests that this be issued by its contract carriers provided the borrower does not supply a paid up policy. If a mortgagor has, as in the past, ordered his insurance in a stock company, his policy will be renewed in the Stock Company Association which then credits this coverage to the same company provided it is a member of the association. The commission goes to the agent of record. However, borrowers are not precluded from furnishing full paid policies obtained from their local agents.

Asked Companies to Submit Bids

Mr. Teaf explained how in February HOLC invited all companies licensed to do business to submit bids. A total of 29 replies were submitted. After careful study the board accepted the bid of the Stock Company Association and the new contract is in process of execution. This provides, he said, for substantially the same coverage as that included in the old contract except that the HOLC is no longer insuring its own properties.

He stated that the HOLC's decision to discontinue insurance on its owned properties is based on the wide spread of small risks which it owns. In addition it has been the practice of the U. S. government for many years not to carry insurance on its properties, such as post offices, custom houses, etc. When foreclosed properties are sold by the HOLC, insurance must be provided again by the vendee. This can be done by the use of a special deposits account or the vendee can furnish a paid up policy.

Mr. Teaf said that under the new contract even though insurance arrangements are entered into by the mortgagor

of the HOLC, they may if they so desire at the time of expiration of the policy held by the HOLC furnish their own insurance in the form of full paid policies through companies and agents of their own choice. When for any reason the HOLC acts on behalf of the mortgagor, he is still permitted to name a local agent.

It should also be pointed out, Mr. Teaf said, that in the past when the HOLC has ordered insurance for its mortgagors, coverage was purchased in the amount of the appraised value of the property. In the future the HOLC will order insurance only to the extent of its loan balance interest. The mortgagor is then permitted to purchase additional coverage through his local agent.

Mr. Teaf said that the final details of the HOLC's revised insurance program are now being completed. Every effort has been made to protect the interests of the HOLC, its mortgagors and the insurance industry, including agents.

Offers Services to U. S. in Defense

(CONTINUED FROM PAGE 3)

tinental; general manager, W. E. Mallieu; assistant general managers, C. H. Lum and F. S. Dauwalter.

New members of the executive committee are: R. H. Griffith, vice-president and Pacific Coast manager Glens Falls; J. O. Platt, president North America; F. A. Christensen, vice-president America Fore companies; H. R. Waite, president Agricultural; and J. H. Vreeland, United States manager Scottish Union. Continuing members are: C. F. Shallcross, United States manager North British & Mercantile; W. Ross McCain, president Aetna Fire; J. M. Haines, general attorney Phoenix of London; P. J. Berry, president Security of New Haven; E. W. Elwell, United States manager Royal Exchange; Esmond Ewing, vice-president Travelers Fire; C. F. Codere, president St. Paul F. & M.; W. E. Maynard, vice-president Providence-Washington; and R. A. Corroon, president Corroon & Reynolds.

Chairman to Be Chosen

The executive committee selects its own chairman, and this will be done at its organization meeting next month. That Mr. Thomas will be renamed is taken for granted.

Attendance was nearly equal to the high mark reached in 1939. As a result of President Layton calling the gathering to order promptly at the scheduled hour, all reports were presented and general discussion concluded in time for adjournment for luncheon, instead of holding an afternoon session as has been frequently done.

A sizable number of casualty officials were present at the business session and at the National Board Day dinner.

Former presidents of the board on hand included: President R. M. Bissell and Vice-president James Wyper, Hartford Fire; F. W. Koerkert, United States manager Commercial Union; P. B. Somers, president American, and W. H. Koop, president Great American.

Visitors from the west included C. F. Thomas, manager Western Underwriters' Association; H. A. Clark, vice-president and western manager Firemen's, and E. A. Henne, executive vice-president and western manager America Fore.

At the dinner President Layton, as toastmaster, introduced Assistant Secretary of War Louis Johnson, and Superintendent Pink of New York, both of whom spoke; the former as to the war situation, and the latter upon the im-

Underwriting Farm Property Differs from City Risks

G. C. Cundiff of Chicago, associate manager farm department of the Home, spoke before the annual meeting of the Mississippi Association of Insurance Agents at Biloxi, declaring that the underwriting of farm property presents an entirely different picture from that of city or protected risks. The inspection bureaus furnish both the agent and company with data regarding risks in protected areas without requiring any inspection on part of an agent or special agent. In protected points each risk is guarded by a fire department, police and neighbors. Total losses are few compared to the number of fires that occur.

Difference in Farm Risks

He said that unless careful inspection of country risks is made by the agent, neither he nor the company has any knowledge of the physical risk assumed. Therefore, it becomes a gambling proposition with odds against the company. At the same time the agent takes the risk of his loss ratio exceeding the bounds of reason which might jeopardize a valuable connection. The fire protection facilities in a country risk are exceedingly limited, if there are any at all.

Mr. Cundiff said there is no class of business that needs as scientific handling if "we are to preserve the wealth of the nation, as the farmer's risk." A farmer not only needs insurance on his buildings but also on his grain and other products, Mr. Cundiff added. The agent has the opportunity to protect growing crops by writing insurance against hail. The agent can insure the unearned premium.

The speaker said that the commission is not earned until the policy expires and, therefore, the holder is entitled to service during that time. Farm property, he said, cannot be written with any degree of fairness to the farmer unless the agent visits the farm and makes a careful analysis of the need of insurance. Where a policy is written for a term, the agent in passing the farm should pay the assured a visit, to see if his insurance conditions are the same and whether any change should be made.

Mr. Cundiff said that much is being done by various organizations to bring scientific farming to every district. As science, invention and research have produced and will produce discoveries that are certain to create new cycles of advancement he said that insurance companies must develop necessary forms and policies to meet what is ahead.

portance of the insurance interests of New York.

The committee on public relations in its report stated that by actual count there are 117,000 local agencies in the United States representing stock fire companies and 57,000 brokerage offices which may be presumed for the most part to be dependent upon stock company insurance. The committee assumes that on the average each agency office engages the services of three persons including the owner and that, therefore, about 350,000 persons, exclusive of brokerage offices, are engaged in selling and servicing stock fire company insurance. In cities of more than 500,000 population there is a local agency for every 2,500 persons. More than half the agencies are located in towns of 10,000 population or less. On the average, such an agency exists for each 1,000 population.

This indicates the extensive means at the disposal of the companies for serving the public and letting the public know the value of the services that are performed.

The committee on statistics and ori-

Iowa Agents Hear Store Executive

Says Businessmen Need Insurance Education; Not Informed on Coverages

DES MOINES—In an address entitled "Business Needs Insurance," G. S. Stroud, vice-president and general manager of the New Utica store in Des Moines, highlighted the central Iowa regional insurance forum here Tuesday. He opined that any slackening of normal business activity due to fear of what may happen abroad will not improve the position at home. There must be no loss of confidence as to the ability of this country to continue to manage its own affairs.

The forum which was the fourth so far held by the Iowa Association of Insurance Agents, was the best attended meeting so far with more than 200 on hand. Other forums yet to be held will be at Sioux City June 5 and Mason City June 13.

Frank Stouffer, Colfax, regional vice-president, presided. H. C. Brown, Mason City, state president, was on hand.

Mr. Stroud said he finds that business men are uninformed on insurance matters. The average business man, for instance, he said, does not know what extended coverage means.

Coinurance New Deal "Ism"

Mr. Stroud said that one merchant thought coinurance was a new deal "ism," sort of an improvement on mutual insurance in the cooperative sense. Another merchant, he said, thought "bridging the gap" clause was use and occupancy. He urged agents to help educate the merchants not only along fire lines but all other branches.

R. W. Forshay of Anita, Ia., national councillor, spoke on "New Ideas in Farm Insurance."

Other speakers included J. V. Eddy, assistant manager of the casualty department of Travelers; Clifford DePuy, Des Moines publisher; John S. Cutter, Shenandoah, state secretary; Fred E. Brake, Iowa state agent Great American; H. F. Bonnewitz, superintendent of the bond department of Aetna Casualty; and John R. Hoff, state agent, Boston.

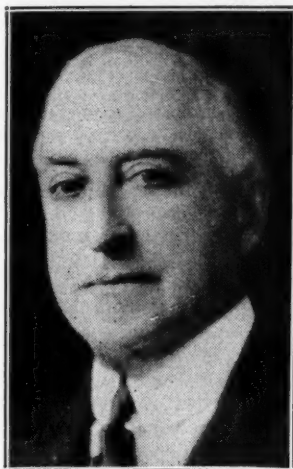
At the regional forum in Waterloo last week about 75 agents and 41 field men were registered. L. M. Jefferies, regional vice-president, presided.

gin of fires of the National Board presented this table, showing the annual fire loss in the United States for 65 years, 1875-1939, inclusive, the 1939 figure being an estimate from records of the actuarial bureau:

| Aggregate Property Loss | | Aggregate Property Loss | |
|-------------------------|---------------|-------------------------|---------------|
| Year | Loss | Year | Loss |
| 1875 | \$ 78,102,285 | 1908 | \$217,885,850 |
| 1876 | 64,630,606 | 1909 | 188,705,150 |
| 1877 | 68,265,800 | 1910 | 214,003,300 |
| 1878 | 64,315,900 | 1911 | 217,004,575 |
| 1879 | 77,703,700 | 1912 | 206,438,900 |
| 1880 | 74,643,400 | 1913 | 203,763,550 |
| 1881 | 81,280,900 | 1914 | 221,439,500 |
| 1882 | 84,505,024 | 1915 | 172,033,200 |
| 1883 | 100,149,228 | 1916 | 258,377,952 |
| 1884 | 110,008,611 | 1917 | 289,535,050 |
| 1885 | 102,818,796 | 1918 | 353,878,876 |
| 1886 | 104,924,750 | 1919 | 320,540,389 |
| 1887 | 120,283,055 | 1920 | 447,886,677 |
| 1888 | 110,885,665 | 1921 | 495,406,012 |
| 1889 | 123,046,833 | 1922 | 506,541,001 |
| 1890 | 108,993,792 | 1923 | 535,372,782 |
| 1891 | 143,764,967 | 1924 | 549,062,124 |
| 1892 | 151,516,098 | 1925 | 559,418,184 |
| 1893 | 167,544,370 | 1926 | 561,980,751 |
| 1894 | 140,006,484 | 1927 | 472,933,969 |
| 1895 | 142,110,233 | 1928 | 464,607,102 |
| 1896 | 118,737,420 | 1929 | 459,445,578 |
| 1897 | 116,354,575 | 1930 | 501,980,424 |
| 1898 | 130,593,905 | 1931 | 451,643,866 |
| 1899 | 153,597,830 | 1932 | 400,859,554 |
| 1900 | 160,929,805 | 1933 | 271,453,188 |
| 1901 | 165,817,810 | 1934 | 271,197,296 |
| 1902 | 161,078,040 | 1935 | 235,263,401 |
| 1903 | 145,302,155 | 1936 | 266,659,449 |
| 1904 | 229,198,050 | 1937 | 254,959,423 |
| 1905 | 165,221,650 | 1938 | 258,477,944 |
| 1906 | 518,611,806 | 1939 | 274,943,000 |
| 1907 | 215,084,709 | | |

The committee finds that the per capita loss in 1939 was \$2.10; in 1938, \$1.99; 1937, \$1.97; 1936, \$2.08, and 1935, \$1.85.

Always on the Job



SUMNER BALLARD

Sumner Ballard, one of the leading reinsurance officials of the country, president of the International, and U. S. manager of Skandinavia, is the perennial secretary of the National Board. Regardless of changes in other officials, Sumner Ballard goes on with his secretarial duties and blossoms out in fine array at the annual meeting.

Montague Elected Mississippi President

(CONTINUED FROM PAGE 3)

the Louisiana association. This association operates almost entirely on the local board idea and feels that the small local unit can more effectively put into operation the principles of the state and national associations.

Greetings from field men were extended by J. L. White, Jackson, special agent Hartford, who praised the association's legislative activities.

Improvements in handling business have brought fewer complaints, W. W. Sampson, manager Mississippi Rating Bureau, reported.

In discussing the insuring of farm property, G. C. Cundiff, Chicago, associate manager farm department of the Home, emphasized the importance of getting a general picture of the entire agricultural industry in order to intelligently handle farm insurance.

The aims and purposes of the Mississippi Retailers Association were pointed out by E. C. Wilson, its executive secretary.

Praise National Association

The National association was praised for its work on HOLC business. HOLC regulations are being studied by the directors in order to clarify the situation.

The get together dinner was attended by 275. President John W. Robinson was master of ceremonies and Raymond Butler, president of the Mississippi Coast Underwriters Association, extended greetings. O. S. Johnson, Clarksdale, responded to the greetings. Walter Coquille gave a humorous talk.

Conference with Field Men

Commenting on the failure of the companies to cooperate in the "guiding principles plan," but predicting that something satisfactory along this line, which would be of benefit to both companies and field men, can be worked out, J. W. Robinson, outgoing president, said that at the request of several field men he had acted on the authority given by the Biloxi convention of two years ago, and had invited a committee of field men to confer with a committee of agents. Under this plan the field men of the companies would give due consideration to the established agents, before making any new agency appoint-

ments for their companies. After following an outlined plan of procedure, the necessity for the new plan could be amicably arrived at by both agents and companies.

Mr. Robinson pointed out that at last year's meeting a membership of 197 was reported. This year the records show 210 members, a gain of 13. The gain, in reality, is even greater, as the membership reported last year was not on a paid basis, whereas this year everyone reported has paid.

Mr. Robinson gave figures for stock fire and mutual and reciprocals carriers in Mississippi in 1939, showing that the reciprocals and mutuals combined wrote fire premiums of 13 percent and stock companies 87 percent.

Clant M. Seay, secretary-manager, reported 210 members; Warner Wells, national councillor, reported on National association activities.

R. Lea McClelland, manager, and Matt G. Smith, Baton Rouge, former national councillor, were on hand representing the Louisiana association.

Spencer Welton to Speak

Spencer Welton, vice-president Massachusetts Bonding, is scheduled to address the annual meeting of the New

England Association of Insurance Agents at Poland Springs, June 26-28, at one of the morning meetings.

N. R. O. G. Insurance Scheme Run to Earth

(CONTINUED FROM PAGE 2)

permanently discontinued. The application of Mr. Whyte for a license, therefore, is not being opposed by the Missouri association.

The Missouri department made inquiry of Miss Althea Andrew and Walter Taylor in Mr. Whyte's office asking them by what authority they were "furnishing coverage" for the members as pointed out in the bulletin.

Shortly before this, the Missouri department had bulletined insurance buyers citing the advantages of purchasing insurance from admitted companies.

Grocers Desire to Cooperate

Attorney Rope assured the Missouri association that the Associated Grocers desired to cooperate with the Missouri Association of Insurance Agents to the end that the insurance operations of the warehouse and its employees be in line

with Missouri statutes, department rulings and accepted good practices. The Associated Grocers issued a bulletin stating that it is not possible for it to furnish members with insurance.

President Welsh stated that the term "free insurance" has been changed to "patronage stock insurance" and the warehouse at Kansas City is continuing to furnish it. Mr. Welsh said that the medium through which this insurance has been effected since the cancellation of the Rhode Island policy is unknown to the Missouri association except that the officers have every reason to believe that it is undertaken in an unlicensed company.

President Welsh said that it appears now that California and Illinois are the remaining key states with respect to the N.R.O.G. insurance situation.

Push Living Expense Insurance

The Canadian Underwriters Association has promulgated rules and wordings covering additional living expense insurance, which is designed to insure additional living expenses which may be incurred by the insured following a loss in his apartment or dwelling. It is recommended that this coverage be incorporated as an additional item in all fire policies covering household furniture in apartments or dwellings.

American Equitable Assurance Company of New York
Organized 1918 Capital \$1,000,000.00

Globe & Republic Insurance Company of America
Philadelphia, Pa. Capital \$1,000,000.00 Established 1862

Knickerbocker Insurance Company of New York
Organized 1913 Capital \$1,000,000.00

Merchants and Manufacturers Insurance Company of New York
Organized 1849 Capital \$1,000,000.00

New York Fire Insurance Company
Incorporated 1832 Capital \$1,000,000.00

United States Fire Department
Switzerland General Insurance Company, Ltd.
Zurich, Switzerland Established 1869



Losses paid exceed
Two Hundred and Fifty Million Dollars

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NEWS OF FIELD MEN

Two Kansas Field Groups Elect

Howard S. Searle, Crum & Forster, Topeka, was elected president of the Kansas Fire Underwriters Association at the annual meeting in Wichita, succeeding R. B. Latham, North America. George E. Freese, St. Paul Fire & Marine, Wichita, was named vice-president and Robert L. Hauck, North



HOWARD S. SEARLE

British, Topeka, reelected secretary-treasurer.

The Kansas Blue Goose advanced J. Y. Dickerson, Firemen's, to most loyal gander. R. E. Hauck, North British, becomes supervisor; E. H. Fikes, Home, custodian; Shelby E. Holmes, Royal, guardian; Russell Colvin, American, keeper, and L. A. Magill, Kansas Inspection Bureau, Topeka, starts up the line as welder.

Five candidates, all adjustment bureau men, were initiated by the uniformed drill team of the Kansas pond. Memorial services were conducted by Frank L. Britton, Corroon & Reynolds, for Clyde Miller, president Preferred Fire, and Lytle Moore, manager Travelers Fire. Membership of the Kansas pond reported by Chairman R. B. Covington, Hartford, is 146, 13 having been initiated the past year.

Curtman Maupin, Home, presided at a short program following the banquet, introducing Col. Sam F. Woolard, retired state agent Commercial Union, and Frank L. Britton, deans of the Kansas pond and both charter members. Guests included L. J. Feeny, assistant secretary America Fore, Chicago; R. E. Vernor, Western Actuarial Bureau, Chicago, and Miner Shaw of Sioux Falls, S. D., a guest of George E. Freese.

Walker N. Moore, Wichita, farm and hail special agent America Fore, won the golf cup at the Blue Goose tournament, taking the cup from M. W. Whitelaw, Western Adjustment, Parsons, Kan. H. R. Joice, Hutchinson, special agent National of Hartford, was runner up.

Payne with N. Y. Underwriters

F. D. Payne, graduate of Armour Institute and for the past ten years with the Indiana Inspection Bureau in Dean schedule application and sprinklered risk work, has been appointed special agent in Indiana for the New York Underwriters as aid to State Agent C. R. Watkins. He will succeed Special Agent L. W. Bayes, transferred to Ohio as successor to State Agent G. W. Graham, Jr., of Cincinnati, who will be retired. Mr. Payne will make headquarters with Mr. Watkins at Indianapolis.

Georgia Blue Goose in Annual Conclave

ATLANTA—The Georgia Blue Goose held its annual meeting in Atlanta, electing the following officers: Most loyal gander, M. N. Watson, A. F. Irby & Co.; supervisor, N. B. Browne, Jr., Agricultural; custodian, W. E. Stroud, Aetna Fire; guardian, G. F. Price, Southeastern Underwriters Association; welder, John W. Morris, Jr., Southeastern Underwriters Association. All are located in Atlanta.

John M. Harrison of the Royal, incumbent most loyal gander, was elected first delegate to the grand nest meeting in Philadelphia in August. Mr. Watson was chosen second delegate. The alternates will be Mr. Browne and C. R. Wilcoxson, Home of New York. Carl M. Ramspeck of the Home, past most loyal gander, presented Mr. Harrison a scroll and pin symbolic of the pond's recognition of his service as most loyal gander. Clarence Ruse, Aetna Fire, past most loyal gander and chairman of the memorial committee, delivered an eloquent tribute to the late S. W. Milner, who died Aug. 1, 1939, while he held the office of keeper.

Thirteen new members were initiated: J. M. Coleman, Security of New Haven; W. D. Hughes, Jr., S. E. U. A.; C. A. Simons, Phoenix of Hartford; L. B. Hunter, S. E. U. A.; T. H. Lang, Royal-Liverpool; M. H. Ison, S. E. U. A.; J. P. Winchester, North America; T. F. Gerdine, Appleton & Cox; C. E. Doremus, insurance attorney; J. E. McKinley, Appleton & Cox; Fleming Law, American Security; J. D. Simpson, Marine Office of America; Crawford Crane, Pearl.

Central West Field Rallies Occupy the Stage in June

The central western field organizations will have a busy time during June, holding their annual meetings and outings. The Missouri Fire Underwriters Association opens with a meeting at Lake Tameycom, June 5-6. The Tennessee field men go to Mammoth Cave, Ky., the same date. The Kentucky Fire Underwriters Association also goes to Mammoth Cave, June 12-13. The Wisconsin Fire Underwriters Association will have its annual roundup at Lawsonia Hotel, Green Lake, June 13-14. The Illinois Field Club and Wisconsin Field Club (Bureau) will meet at the same place, June 12-14. The Illinois Fire Underwriters Association will have its annual gathering at Lake Wawasee, Ind., June 13-14. The Minnesota Fire Underwriters Association goes to Brainerd, June 19-20. The Michigan Fire Underwriters Association meets at Charlevoix the same days. The Indiana Fire Underwriters Association is scheduled to meet at Lake Wawasee, June 26-27. The North and South Dakota field men are going to Alexandria, Minn., June 28-29. The Ohio field men run over the month line and will go to Cedar Point, July 9-10.

Lorton Transferred to Indianapolis

P. M. Lorton, special agent for the Travelers Fire and Charter Oak Fire with headquarters at South Bend, Ind., has been transferred to Indianapolis as special agent under Manager W. R. Caskey.

Mr. Lorton was born in Indiana, graduated from the Colorado School of Mines in 1934 with high honors and following a year's work in his father's agency in Colorado was employed by the Travelers Fire at its home office, where he was trained in the various departments of the fire company. First appointed special agent at the Hartford office, he was transferred in 1939 to

South Bend, where for the past year he has been traveling as special agent.

Fahlgren Heads W. Va. Pond

The West Virginia Blue Goose at its spring party in Parkersburg elected these officers:

Most loyal gander, Herbert Fahlgren, Camden Fire, Parkersburg; supervisor, James E. Tetlow, Jr., Fireman's Fund, Charleston; custodian, E. R. Rinard, Fire Companies Adjustment Bureau, Huntington; guardian, B. J. Weisgerber, North British, Wheeling; keeper, George M. Hampton, Great American, Parkersburg; welder, Frederick E. Hill, New Hampshire, Parkersburg.

At the business meeting 10 new goslings were elected. This gives the West Virginia pond over a 50 percent increase in membership for the year.

Ohio Field Groups' Meetings

The Ohio Fire Prevention Association will hold its annual meeting in Columbus June 3. State Fire Marshal Ray Gill, Fire Chief E. P. Welch, and Capt. E. J. Brophy of the Columbus fire prevention bureau will speak. A new movie will be presented under the direction of M. F. Johnson of the Rhode Island.

The Ohio Fire Underwriters Association and the Fire Underwriters Association of Ohio will hold their June meetings in Columbus, June 11.

The Ohio Blue Goose will give its annual summer party June 11 at the Scioto Country Club, Columbus. Joseph F. Lisey, Home at Columbus, is chairman.

Hanson with Minneapolis F. & M.

R. L. Hanson, for 19 years Royal-Liverpool's state agent in Minnesota, and before that with the Firemen's group, has joined the Phoenix of Hartford group and has been elected secretary of Minneapolis Fire & Marine, succeeding Frank C. Beazley, transferred to San Francisco.

He will supervise the Minneapolis Fire & Marine business in Minnesota and Wisconsin. He is making his headquarters at the Minneapolis Fire & Marine home office in the Pere Marquette building in Minneapolis. He is a past president of the Minnesota Underwriters Association and past most loyal gander of the Minnesota Blue Goose.

Rogers Conducts Speakers School

The speakers school conducted by H. K. Rogers of the Western Actuarial Bureau at Indianapolis was very successful. Those who took the course have formed a permanent class which will meet twice a month and carry on instruction of others who may join. The committee to direct this work consists of C. R. Watkins, New York Underwriters, chairman; J. W. Besterman, Employers Fire, and Walter Polz, Sun. The pupils presented Mr. Rogers a pipe and accessories. W. L. Jones, Commercial Union, president of the Indiana State Fire Prevention Association, made the presentation speech.

Hausmann with the Hanover

H. A. Hausmann, manager of the Detroit department for Jones & Whitlock, New York inland marine insurance firm, has been appointed special agent of the Hanover Fire and Fulton in Michigan, assisting State Agent Ben Phillips with offices at 520 Free Press building. Mr. Hausmann has had both fire and inland marine experience and before going with Jones & Whitlock he traveled for the American in Indiana and Minnesota. Jones & Whitlock represent the Hanover for inland marine.

Mississippi Blue Goose Elects

BILOXI, MISS.—J. B. Chapman, America Fore, was elected most loyal gander of the Mississippi Blue Goose at a meeting with the Mississippi Association of Insurance Agents convention. Other officers elected are: H. T. Holland, Jackson, supervisor; G. D. Hyams, Jackson, custodian; J. V. Robertson,

Jackson, guardian; Edgar Rushing, Hartford Fire, Jackson, keeper of the Golden Goose Eggs, and F. J. Carroll, Jackson, welder.

Glens Falls' Hartford Office

Glens Falls has opened new offices at 36 Main street, Hartford, to give better assistance to agents in Connecticut, western Massachusetts and part of Rhode Island. J. C. Davison is manager; M. H. Connors, claim manager; J. H. Hoxie and W. F. Elliott, special agents.

Fete Graham on Retirement

CINCINNATI—G. W. Graham, Jr., state agent in western Ohio for New York Underwriters, who is retiring June 1, was tendered a dinner by his friends and presented with a traveling bag. He has been in the field nearly 40 years and has reached the age limit for active service with his company. M. Van Haun, Western Adjustment, and G. H. Allen, Royal-Liverpool groups, were in charge of dinner arrangements.

Thomas with the Firemen's

Dale R. Thomas, formerly with the Dodge Agency of Salina, Kan., has joined the Firemen's in Kansas as special agent, assisting State Agent J. Y. Dickerson, with headquarters in the National Reserve building, Topeka.

Kiesner Takes Over Minnesota

Bernard M. Kiesner has been appointed state agent of the Fidelity & Guaranty Fire for Minnesota, thus allowing State Agent C. C. Bliedert more time to develop business in Wisconsin and the Michigan peninsula. Mr. Kiesner has been working under Mr. Bliedert, and has traveled the Minnesota field since June, 1938. He will make his office in the National building, Minneapolis.

Alexander Made General Agent

H. G. Alexander, formerly state agent of the Security of New Haven group in Texas, has been appointed general agent for the Security and East & West for north and east Texas, with headquarters in Dallas.

Levey Joins Republic

The Republic of Dallas has appointed J. G. Levey special agent for the gulf coast field with headquarters at Houston. He was formerly special agent for T. A. Manning & Sons of Dallas.

H. W. Kast, Jr., Joins American

American has appointed H. W. Kast, Jr., as special agent for Long Island, succeeding Warren E. Buell who was recently promoted to assistant manager of the New York metropolitan and suburban department. He was formerly a field man for the North America.

New England Pond Elects June 6

The annual meeting and ladies' night of the New England Blue Goose will be held June 6 in Boston. The nominating committee has named W. A. Sturgis, North British & Mercantile, as candidate for most loyal gander.

NEWS BRIEFS

Philip Geaque of the U. S. secret service addressed the San Francisco Blue Goose Monday on counterfeiting activities, accompanied by a sound picture "Know Your Money."

Carl E. Bailey, Wichita state agent of Crum & Forster, was called to Caldwell, Kan., by the death of his aged mother and missed the Blue Goose and field club meetings in Wichita.

Mrs. H. G. Zimmerman, wife of the secretary of Ellis & Co., was advanced from vice-president to president of the Iowa Ladies of the Blue Goose at the annual meeting. Mrs. Ralph Rinard was elected vice-president and Mrs. H. H. Warner secretary.



ACTIVE AT NATIONAL BOARD MEETING:

Top (left to right)—Rodney Davis, U. S. manager, and J. K. Battershill, branch secretary, Swiss Reinsurance, and Harold Junker, vice-president Crum & Forster companies.

Bottom—C. L. Simpson, manager and H. D. Sawyer, accountant National Board's actuarial division.

COMPANIES

Farmers Fire of York Recasts Setup in West

George E. Redfield of Redfield & ReQua of Chicago, general agent in the west for Farmers Fire of York, Pa., has now retired on pension and the office is being continued by Fred N. ReQua.

Clarke F. Mair, who has been in the brokerage and agency business in Chicago about 10 years, has joined Farmers Fire as special agent in the ReQua office. He will travel throughout the western states.

Mr. Redfield is a veteran in the business. He started with Farmers Fire in Chicago on Oct. 11, 1899. He operated alone as general agent until the firm became Redfield & ReQua. Mr. ReQua went with Farmers Fire in 1903.

Mr. Redfield started in the old Rock Island Inspection Bureau in Rock Island, Ill., of which his father, George E. Redfield, Sr., was manager. He later was connected with the old Hines Reports and then was with the old Rockford Insurance Company at Rockford, Ill.

Mr. Mair entered the business in 1930 as an agent for Travelers. He later formed an agency known as Mair-Daniels & Co., and more recently has been with Lunde & Buswell, class 1 agents of Chicago.

Mr. Redfield intends to operate as a

broker and he is making his headquarters with Marsh & McLennan which incidentally are Chicago local agents for Farmers Fire.

Report on State Farm Fire

State Farm Fire of Bloomington, Ill., as at Dec. 31, 1939, had assets \$769,858, capital \$250,000 and net surplus \$178,060, according to the report of an examination conducted by Illinois, Arizona, Kentucky, and Oklahoma.

Both participating and non-participating policies are sold. Very few inland marine risks are written and the acceptance of risks on farm property has been discontinued. Standard forms and tariff rates are used except in Texas where there is a 20 percent deviation and also excepting policies issued for a five year term. The five year policies are renewable annually with the full manual rate being charged the first year and 75 percent of the tariff charge each of the succeeding four years.

Premiums earned in 1939 were \$321,055, losses incurred \$130,935, loss adjustment expenses incurred \$8,822, underwriting expenses incurred \$190,318, loss from underwriting \$9,069.

This company is affiliated with State Farm Mutual Automobile and State Farm Life.

Form Boonville, Mo., Board

BOONVILLE, MO.—Ben N. Smith has been elected president of the newly formed local board here. Walter Gantner is vice-president, and R. W. Meyer, secretary-treasurer. An installation din-

Independent Adjusters Fail to Vote on Lawyers' Eligibility for Membership

The constitutional revision on the eligibility of attorneys as members of the National Association of Independent Insurance Adjusters was discussed at length and handed back to the executive committee for correction at the annual convention in Chicago. The corrections will be made immediately and forwarded to each member for consideration. This is the fourth consecutive year that this issue has been brought to the voting stage and then shelved.

M. P. Cornelius, president Continental Casualty, spoke on "Evolution of the Claim Function" at the joint dinner meeting with the Casualty Adjusters Association of Chicago. J. J. Hermann, president of the Chicago association, turned the meeting over to Chester Hayden, vice-president Glens Falls, pinch hitting for Insurance Director Pal-

mer, who at the last minute was unable to attend.

A. M. Best of New York City, publisher of insurance reports, was called upon. He predicted that the state of New York would have a compulsory automobile insurance law next year. L. A. Horton, newly elected president of the National association, greeted those attending in a very humorous vein.

Others at the head table were: Ross Whitney, Whitney & Miller, vice-president of the National association; Neil Russell, manager Chicago Motor Club; R. G. Rowe, vice-president Lumbermen's Mutual Casualty; Joseph McDonough, assistant United States manager Zurich; R. T. Luce, vice-president and claims attorney Casualty Mutual and vice-president of the Chicago association; W. H. Moore, Wichita, secretary-treasurer of the National association, and Henry Crosley, Glens Falls Indemnity, vice-president of the Chicago association.

Dallas has been chosen as the convention city next year.

ner will be held June 10, at which W. J. Welsh, Kansas City, president of the Missouri Association of Insurance Agents, and J. H. Ashton, Kansas City, vice-president, will be guests.

Col. R. F. Proctor, manager of the surety department of the Association of Casualty & Surety Executives, is seriously ill in the University of Maryland hospital at Baltimore.



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EDITORIAL COMMENT

Need for Adequate Coverage

MORE and more insurance buyers are requiring a comprehensive or all-risk coverage in order to protect them against hazards that may seem somewhat remote and yet if loss comes it might cause extreme embarrassment. It was brought out in the discussions of the insurance division of the American Management Association at its annual meeting in Atlantic City. In years gone by when industry and business at large were more simple, the property owner might have felt that if he was covered by fire and possible tornado insurance his coverage would be sufficient from the fire company standpoint.

Yet Vice-president K. C. Bell of the Chase National Bank of New York City predicted that banks are most likely to

require on real property pledged as collateral in connection with a corporate indenture bond issue, not only these two coverages but rental or leasehold, sprinkler leakage, explosion and other types. In a recent address in connection with what credit men are requiring it was pointed out by the speaker that use and occupancy should be one of the demands made because the continuation of gross profits is essential in many industries for their credit maintenance.

In an insurance analysis an agent certainly is justified in bringing the attention of premium payers to the various hazards that may affect them materially and urge that they be protected properly.

Should Not Call in the Watchmen

ANNOUNCEMENT that there will be no further TNEC hearings until November and presumably that there will be no further insurance hearings of any kind may result in an unwarranted belief that the insurance business can lean back and heave a sigh of relief. There is likely to be a feeling that it wasn't so unsatisfactory after all; the life insurance business didn't come off so badly and no other branch was hauled over the coals at all.

In this connection it might be well to recall an article written by P. R. B. Nehemkis, Jr., special counsel of the Securities & Exchange Commission in charge of the savings and investment study, and published in the March, 1939, "Georgetown Law Journal." Mr. Nehemkis has been so much identified with the investment side of the TNEC investigation that it may be forgotten that he preceded Gerhard Gesell as a lawyer for the SEC's study of insurance. Reports are that he was not given the post of special counsel, to which Mr. Gesell was appointed, because of lack of a suffi-

ciently aggressive approach.

In his "Georgetown Law Review" article Mr. Nehemkis is extremely critical of the Paul vs. Virginia decision that insurance not being commerce is not subject to regulation by congress. He criticizes not only the reasoning behind the decision, which he considered strained, but intimates that because of changed conditions, there is considerable doubt that the United States Supreme Court would perpetuate the Paul vs. Virginia ruling. The question remains, he said, "would the Supreme Court, upon an appropriate record involving an act of congress and in the light of the altered significance of the insurance problem, perpetuate its ruling that insurance is not commerce?"

That is the attitude of a prominent member of a federal regulatory organization. If it is true that Mr. Nehemkis's conservatism lost him the post given to Mr. Gesell it would be interesting to know what some of the other figures in the SEC and the TNEC think about Paul vs. Virginia.

Educating the Girls in an Agency

AT THE mid-year meeting of the National Association of Insurance Agents during the forum at which was discussed agency office systems and methods of conducting the business, it was generally agreed that an organization in its personnel and mechanics should be geared for profitable production. It pays to take an inventory of what is going on in an office and learn how the work is being done. There are probably op-

portunities to bring about economies and greater efficiency.

In insurance offices the women employes have much to do with dispatching the details of the business and making the wheels go around. The more efficient and alert they are, the more they improve in their technique and judgment, the more profitable will be the results. Evidently the United States Fidelity & Guaranty realizes this

because it is extending its special course in casualty and surety insurance and office management to the girls in its offices east of the Mississippi river. This will give the girls an opportunity to learn more about the business and how to operate an agency.

The Ohio Farmers has made it a cus-

tom from year to year to invite to its head office girls from its agencies throughout Ohio and give them instruction. Companies that have followed this course believe it to be a very desirable one and the expense incurred in so doing generally is regarded as perfectly justifiable.

PERSONAL SIDE OF THE BUSINESS

C. R. Fischer, Iowa commissioner, fully recovered from a recent illness, returned to his work Monday after nearly a month's rest at Tempe, Ariz. He had just returned from a previous trip to Arizona when he was stricken in March. He will not be able to attend the commissioners' convention at Hartford as originally planned. Although he has recovered from his illness, he feels it will be necessary to stay at his desk and catch up with his work.

George E. Townsend, vice-president Fireman's Fund companies, is seriously ill. R. L. Ellis, assistant vice-president with headquarters in Los Angeles, has gone to the head office in San Francisco to look after Mr. Townsend's duties until he recovers.

C. E. Bleckley, Kansas state agent of the Northern, who has been confined to his home in Topeka for nearly seven months with a heart attack, is much improved and takes a walk around the block daily and short automobile drives. While he is anxious to return to the field, he probably will continue to rest most of the summer.

E. H. Kraus, well-known Buffalo adjuster, and Mrs. Kraus celebrated their golden wedding anniversary with a family gathering in their home. Mr. Kraus handled many adjustments in San Francisco after the earthquake and fire there in 1906.

Frank M. Fisher, Toledo, O., local agent, is recovering from injuries received when an airplane in which he was riding, piloted by a friend, crashed near Toledo, following motor trouble.

Commissioner **Frank Yetka** of Minnesota, who has been under treatment at St. Joseph's hospital, St. Paul, has recovered sufficiently to visit his office for a time each day. His insurance friends are taking turns in driving him in and around the Twin Cities when the weather permits. He expects to be able to leave the hospital by the end of the month and go to his lake home near St. Paul.

C. T. Ingalls, manager Oklahoma Inspection Bureau, Oklahoma City, was in Chicago this week conferring with western department officials.

Will H. Harrison, Jr., special representative Royal-Liverpool groups, will be married in Chicago June 13 to Miss Geneva Mies, air line stewardess. The groom is a son of Will H. Harrison of Des Moines, state agent National of Hartford and dean of Iowa field men.

Tom L. Monagan, independent adjuster of Dallas and a field man or identified closely with the insurance business for nearly half a century, has presented to the Historical Society there his large collection of ancient bicycles, costumes, newspapers and records of old Dallas.

These include an old high wheel cycle which he used to ride in the early days, a tandem and a newspaper collection dating back to about 1880. Mr. Monagan was an athlete, being catcher for an amateur baseball team, participating in bicycle marathons to Fort Worth and also foot races. The costumes date to those worn by Mrs. Monagan's grandmother in 1830. Mr. Monagan for many years was Texas state agent of the Phoenix of London. Then about 20 years ago when the Dallas Athletic Club was organized, he was in charge of promotion and later for many years was its manager. As a field man he was recognized as having an exceptionally large acquaintance outside as well as inside the business and was active civically. Later he was on the appraisal board of Dallas and then was manager of the forms department.

Robert B. Parker of St. Louis, who is connected with the Missouri Inspection Bureau, was married to Miss Mary Howell of that city, daughter of Mr. and Mrs. J. D. Howell of Farmington, Mo. Mr. Parker's father was the late **J. V. Parker** of Chicago, who until his death was manager of the Western Actuarial Bureau. His mother lives at the Greenwood Inn, Evanston, Ill. The bride is interested in dramatic art and is a horsewoman of note. She graduated from the Ozark Business College and at the time of her marriage held a secretarial position in the office of the Missouri Pacific Railroad. Mr. Parker graduated from St. John's Military Academy and attended Northwestern University.

D. P. Lemen, president Queen City Fire, has been elected president of the Sioux Falls Association of Credit Men.

DEATHS

W. C. Browne, secretary of the companies of the National Fire group, died May 22 at the Hartford Hospital. Born Nov. 6, 1882, in Liberty Center, O., and educated in Indianapolis, he was one of the best informed men in the country on the technicalities of fire underwriting and rating and was active on a number of association committees concerned with these problems. Mr. Browne had been away from the office a month, had been at the hospital only ten days, and it was not until a few days ago that the seriousness of his condition was realized.

One of Mr. Browne's first positions was as one of the crew that rerated St. Joseph, Mo., for the Missouri Inspection Bureau in 1911. In 1913 he continued this work in Arkansas, and in 1916 was put in charge of the Kansas City office. He resigned that position to join the Western Sprinkler Risk Association in



THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Assistant Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor.

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Subscription Price \$4.00 a year in United States and Canada. Edition, \$5.50 a year. Entered as Second-class Matter April 25,

Single Copies, 20 cents. In Combination with Life Insurance 1931, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

Chicago in 1919. He became state agent of the National in West Virginia in 1923 and was transferred to the home office as superintendent of its improved risk department in 1926. He was elected assistant secretary in 1929 and secretary in 1934.

Mrs. A. W. Bitting, widow of the founder of the Bitting & Foote agency of Wichita, Kan., died at an advanced age at her home there. Charles K. Foote, present owner of the agency, is a son-in-law.

Burton C. Conn, former mayor of Van Wert, O., for many years manager of the Purmort Brothers agency, and for eight years state agent of the Globe & Rutgers, died from a heart ailment after a week's illness.

Neil H. Keller, 65, for many years with the Albert Dodge agency, Buffalo, died suddenly following a heart attack.

James Daly, 79, who operated a local agency in Binghamton, N. Y., until he retired in 1931, died at his home. He went into the local agency business in Binghamton in 1890. When he retired his business was taken over by a son, James J. Daly, and the agency in 1935 was merged with the Nelson-Colsten Company agency. He was a prominent Catholic layman.

W. D. Reed, 75, retired president of the Northwestern National, died at his home in Milwaukee following a long illness. After contracting a heavy cold last January, Mr. Reed went to Columbia hospital but returned home about a month ago, although he failed to recover completely. He was born in Boston, went to Milwaukee in 1876 and more than 55 years ago entered the employ of the Northwestern National. For many years he was vice-president and was made president in March, 1937, when Alfred F. James became chairman of the board. Last year he retired as president but continued as a member of the board.

G. C. H. Smith, 62, senior member of the James N. Buffinton & Co. agency, Fall River, Mass., died at his home there. He had been with the Buffinton agency since 1914. He had been president of the Fall River Board the past few years.

W. A. Baumann, 66, head of Baumann & Gordon, Winona, Minn., general agents of the Boston and Old Colony for Minnesota, Wisconsin and the Dakotas, and head of the Winona Insurance Agency, died there. He had been ill since Feb. 9. Mr. Baumann started in insurance work in 1888 as an employee of a local agency in Winona. In 1893, in partnership with H. S. Bolcom, he formed the Bolcom & Baumann agency and later, with his brother, Carl Baumann, organized W. A. Baumann & Co., which was absorbed by the Winona Insurance Agency in 1903. He was special agent of the old Rockford Insurance Company, 1894-98, and was then with the American until 1903. The Baumann & Gordon agency was formed in 1905 by Mr. Baumann and Fred F. Gordon of Milwaukee, who died in 1938. He had

been general agent of the Hartford Accident ever since it was organized. He was a life member of the Fire Underwriters Association of the Northwest and active in the Insurance Federation of Minnesota, of which he was at one time a director.

Henry Brose, 53, formerly a prominent independent fire insurance adjuster in Camden, died this week at his home in Woodbury, N. J. At one time he was general adjuster for Camden Fire. He started his insurance career with the Perrin Agency of New York City.

J. H. Doyle, general counsel of the National Board, suffered the loss by death of his sister, **Miss M. A. Doyle**, at Chicago, Monday. Mr. Doyle and his son, Robert Doyle, who is connected with the social security division of the National Board, were in Chicago for the funeral Tuesday.

Conventions

May 30-June 1—Virginia Agents, Cavalier Hotel, Virginia Beach.

June 4-5—Pennsylvania Insurance Days, Bellevue-Stratford Hotel, Philadelphia.

June 5—Connecticut Agents Midyear, Tamarack Country Club, Greenwich.

June 5-6—Missouri field men, Lake Taneycomo.

June 5-6—Tennessee Field Men, Mammoth Cave Hotel, Mammoth Cave, Ky.

June 6-7—National Accident & Health Association, Columbus, O.

June 6—Illinois Farm Agents Assn., Jefferson Hotel, Peoria.

July 8-9—West Virginia Agents, Greenbrier Hotel, White Sulphur Springs.

June 10-12—Southeastern Underwriters Association annual meeting, Cavalier Hotel, Virginia Beach.

June 11—North Dakota Insurance Federation Annual Meeting, Devil's Lake.

June 11—Minnesota Insurance Federation, Nicollet Hotel, Minneapolis.

June 11-14—Health & Accident Underwriters Conference, Nicollet Hotel, Minneapolis.

June 12-13—Kentucky field men's meetings, Mammoth Cave, Ky.

June 13-14—Tennessee Agents, Hotel Patton, Chattanooga.

June 13-14—Carolinas field men, Ocean Forest Hotel, Myrtle Beach, S. C.

June 13-14—Wisconsin Fire Und. Assn., Lawsonia, Green Lake.

June 13-14—Illinois and Wisconsin Bureau field men, Lawsonia, Green Lake, Wis.

June 13-14—Illinois Fire Und. Assn., Spink-Wawasee Hotel, Wawasee, Ind.

June 19-20—Minnesota Field Men, Pine Beach Hotel, Brainerd.

June 19-20—Michigan Fire Underwriters Association, Belvidere Hotel, Charlevoix.

June 20-21—Kentucky Agents, Lafayette Hotel, Lexington.

June 21-23—Convention of Insurance Women, Cosmopolitan Hotel, Denver.

June 26-27—Indiana Field Men, Spink-Wawasee Hotel, Wawasee, Ind.

June 26-27—New England Agents, Poland Spring House, Poland Spring, Me.

June 25-27—National Association of Insurance Commissioners, Bond Hotel, Hartford.

June 27-29—Maryland Agents, Ocean City.

June 28-29—North and South Dakota Field Meeting, Blake Hotel, Alexandria, Minn.

July 9-10—Annual outing Ohio field men, Breakers Hotel, Cedar Point, O.

Smrha Demands Reciprocals Pay Fire Marshal Tax

LINCOLN, NEB.—The Nebraska department has notified L. B. Warner, Chicago, attorney-in-fact for Warner Insurers and Canners Reciprocal Exchange, that licenses for the year beginning May 1, 1940, will not be issued unless they pay the state fire marshal tax on gross premiums required of fire companies. Similar action will be taken in the case of other reciprocals writing fire insurance. Mr. Warner was invited to make a test case of the ruling.

Director Smrha contends the reciprocals receive the same benefits from fire prevention work as the stock and mutual companies and should contribute to its maintenance. The reciprocals contend they are exempt from this taxation. They cite the law relating especially to

reciprocals as showing that unless the reciprocals are specially mentioned, no other insurance law should apply to their contracts, and also another provision that in lieu of all other taxes they should pay an annual license fee of \$20 and 2 percent of all premiums collected or deposits made, less credits and deposits returned.

Twelve fire reciprocals were licensed in 1939. They had net premiums of \$60,613 and losses \$7,202.

Nashville Wants Women in '41

NASHVILLE, TENN.—The Nashville Association of Insurance Women has voted to invite the National Association of Insurance Women to meet in Nashville in 1941. This invitation will be extended by Mrs. Howard Robertson, president, and Mrs. A. L. Tate, local delegate, at the meeting in Denver.

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COVERAGE WILL GIVE YOU A QUICK, ACCURATE PICTURE OF THE IMPORTANT RAIN FORMS. COPIES WILL BE SENT TO AGENTS UPON REQUEST.



This exhibit is presented in an analysis of the claim litigation experience of the following companies writing automobile liability insurance, based upon their annual statements. In Column 1 is given the total amount of automobile liability premiums earned during the three-year period—1937, 1938 and 1939. In Column 2 are given the number of suits pending as at Dec. 31, 1939, growing out of policies for which the premium was earned during the three-year period, and in Column 3 is given the ratio of number of suits per \$100,000.00 of earned premium.

AMERICAN STATES' RECORD SPEAKS FOR ITSELF! IT IS ANOTHER REASON FOR THE OUTSTANDING POPULARITY OF AMERICAN STATES WITH BOTH AGENTS AND POLICYHOLDERS.

Tabulation below taken from the Automobile Number of the National Underwriter, April 22, 1940.

| | Col. 1 | Col. 2 | Col. 3 | | Col. 1 | Col. 2 | Col. 3 |
|-----------------------|------------|--------|--------|---------------------|------------|--------|--------|
| Accident & Cas. | 850,324 | 127 | 14.9 | Illinois Natl. Cas. | 743,874 | 25 | 3.3 |
| Aetna Cas. | 22,173,520 | 1,414 | 6.3 | Indemnity of N. Am. | 8,829,648 | 927 | 10.4 |
| Aetna Life | 4,140,831 | 155 | 3.7 | Iowa Mut. Liab. | 1,282,849 | 104 | 8.1 |
| Allstate | 4,783,731 | 255 | 5.3 | Liberty Mutual | 24,829,347 | 3,091 | 12.4 |
| American Auto | 25,803,070 | 1,454 | 5.6 | London & Lanc. Ind. | 3,546,678 | 435 | 12.2 |
| American Cas. | 4,295,320 | 463 | 10.7 | London Guarantee | 4,682,683 | 389 | 8.3 |
| American Employers | 4,985,228 | 416 | 8.3 | Lumb. Mut. Cas. | 32,866,015 | 3,002 | 9.1 |
| Amer. Fidelity & Cas. | 7,998,039 | 322 | 4.0 | Madison County Mut. | 102,460 | 17 | 16.5 |
| American Motorists | 9,840,724 | 920 | 9.3 | Manhattan Mut. Auto | 2,896,944 | 372 | 12.8 |
| American Mut. Liab. | 8,456,695 | 900 | 10.6 | Manufacturers' Cas. | 4,808,617 | 427 | 8.8 |
| American Re-Ins. | 2,263,057 | 50 | 2.2 | Maryland Casualty | 15,609,672 | 1,615 | 10.3 |

| | | | |
|------------------------|------------------|---------------|---------------|
| AMERICAN STATES | Col. 1 | Col. 2 | Col. 3 |
| | 2,577,779 | 50 | 1.9 |

| | | | | | | | |
|-----------------------|------------|-------|-------|-----------------------|------------|-------|------|
| American Surety | 2,500,028 | 171 | 6.8 | Massachusetts Bond. | 11,292,161 | 1,626 | 14.3 |
| Arex Indemnity | 42,249 | 1 | 2.3 | Merchants Indem. | 1,815,790 | 189 | 10.4 |
| Associated Indem. | 1,527,887 | 79 | 5.1 | Metropolitan Cas. | 7,002,512 | 954 | 13.6 |
| Atlantic | 800,680 | 79 | 9.8 | Michigan Mut. Liab. | 2,584,058 | 107 | 4.1 |
| Auto Club of Mo. | 1,052,237 | 41 | 3.8 | Midwest Auto Under. | 302,971 | 17 | 5.6 |
| Bankers Indemnity | 3,414,974 | 391 | 11.4 | Motor Vehicle Cas. | 1,050,381 | 81 | 7.7 |
| Car & General | 4,325,163 | 674 | 15.5 | National Casualty | 851,538 | 68 | 7.9 |
| Central Surety | 5,147,164 | 261 | 5.0 | Natl. Grange M. Liab. | 2,801,771 | 234 | 8.3 |
| Century Indemnity | 6,440,591 | 915 | 14.2 | New Amsterdam Cas. | 8,377,606 | 1,095 | 13.0 |
| Chicago Ice Producers | 68,427 | 7 | 10.2 | New Century Cas. | 295,027 | 33 | 11.1 |
| Chicago Motor Club | 3,257,626 | 325 | 9.9 | Northw. Natl. Cas. | 1,401,328 | 55 | 3.9 |
| Citizens Casualty | 868,279 | 134 | 15.4 | Norwich Union Indem. | 229,514 | 11 | 4.7 |
| Columbia Casualty | 1,451,809 | 166 | 11.4 | Occidental Indem. | 1,344,610 | 97 | 7.3 |
| Commercial Casualty | 5,696,493 | 844 | 14.8 | Ocean Accident | 5,256,121 | 470 | 8.9 |
| Commercial Standard | 3,525,002 | 351 | 9.9 | Ohio Casualty | 6,796,287 | 171 | 2.5 |
| Connecticut Indem. | 1,115,738 | 23 | 2.0 | Peerless Casualty | 371,687 | 13 | 3.4 |
| Continental Cas. | 11,219,673 | 1,090 | 9.7 | Pennsylvania Cas. | 2,675,639 | 320 | 11.9 |
| Eagle Indemnity | 3,089,940 | 330 | 10.6 | Phoenix Indem. | 2,733,546 | 246 | 8.9 |
| Economy Auto | 555,107 | 49 | 8.8 | Prairie State Farmers | 28,407 | 6 | 21.1 |
| Employers Cas. | 1,947,492 | 108 | 5.5 | Preferred Accident | 6,458,819 | 991 | 15.3 |
| Employers Liability | 18,990,381 | 1,463 | 7.7 | Protective Indem. | 604,888 | 98 | 16.2 |
| Employers Mut. Cas. | 2,374,576 | 91 | 3.8 | Royal Indemnity | 10,796,436 | 1,119 | 10.3 |
| Employers Mut. Liab. | 2,990,296 | 192 | 6.4 | St. Paul-Mercury Ind. | 4,907,555 | 404 | 8.2 |
| Employers Re-Ins. | 11,820,643 | 559 | 4.7 | Security Mut. Cas. | 1,186,026 | 42 | 3.5 |
| Equity Mutual | 449,575 | 32 | 7.1 | Shelby Mut. Pl. Gl. | 1,349,050 | 65 | 4.8 |
| Factory Mut. Liab. | 6,348,459 | 679 | 10.6 | Standard Accident | 8,924,840 | 768 | 8.6 |
| Farmers Automobile | 365,377 | 22 | 6.0 | Standard Mut. Cas. | 180,011 | 17 | 9.4 |
| Fidelity & Cas. | 14,750,588 | 1,353 | 9.1 | Standard Sur. & Cas. | 2,852,434 | 256 | 8.9 |
| Fireman's Fund Ind. | 4,138,619 | 498 | 12.0 | State Farm. Mut. A. | 16,710,309 | 613 | 3.6 |
| Freeport Motor Cas. | 1,019,531 | 30 | 2.9 | Suburban Auto | 413,682 | 13 | 3.1 |
| General Accident | 23,064,725 | 2,407 | 10.4 | Sun Indemnity | 2,905,504 | 313 | 10.7 |
| General Cas. Seattle | 4,078,233 | 155 | 3.8 | Travelers Indem. | 2,059,987 | 192 | 9.3 |
| General Indemnity | 105,794 | 7 | 6.6 | Travelers | 42,042,610 | 4,558 | 10.8 |
| *Genl. Transportation | 3,813 | 4 | 104.9 | Trinity Universal | 3,226,409 | 234 | 7.2 |
| Glens Falls Indem. | 5,102,591 | 388 | 7.6 | Union of Indiana | 738,432 | 43 | 5.8 |
| Globe Indemnity | 13,824,449 | 1,237 | 8.9 | U. S. Casualty | 3,557,397 | 378 | 10.6 |
| Great Amer. Ind. | 8,093,742 | 735 | 9.0 | U. S. Fid. and Guar. | 17,188,577 | 982 | 5.7 |
| Great Lakes Cas. | 870,398 | 68 | 7.8 | U. S. Guarantee | 4,681,555 | 312 | 6.6 |
| Hardware Mut. Cas. | 12,873,332 | 529 | 4.1 | Universal Indemnity | 481,349 | 112 | 23.2 |
| Hartford Accident | 25,743,440 | 2,731 | 10.6 | Utica Mutual | 6,357,546 | 882 | 13.8 |
| Hawkeye Casualty | 727,859 | 30 | 4.1 | Utilities | 1,097,056 | 76 | 6.9 |
| Home Indemnity | 4,697,138 | 433 | 9.2 | Western Cas. & Sur. | 3,591,989 | 301 | 8.3 |
| Hoosier Casualty | 937,927 | 55 | 5.8 | Western St. Mut. Auto | 145,654 | 10 | 6.8 |
| Illinois Agri. Mut. | 1,222,886 | 116 | 9.4 | Wolverine | 1,458,971 | 79 | 5.4 |
| Illinois Casualty | 472,621 | 28 | 5.9 | Yorkshire Indem. | 666,069 | 54 | 8.1 |
| | | | | Zurich | 10,863,715 | 1,363 | 12.5 |

*Covers only 1939



AMERICAN STATES INSURANCE CO.

MERIDIAN AT NORTH STS. • INDIANAPOLIS, IND.

DUDLEY R. GALLAHUE, Pres.

EDWARD F. GALLAHUE, Sec.-Treas.

The NATIONAL UNDERWRITER

May 30, 1940

CASUALTY AND SURETY SECTION

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Additional Hearing on Compensation Is Asked by Institute

Risk Research Organization Seeks Opportunity to Present Its Views

NEW YORK — Members of Risk Research Institute, insurance buyers' organization, after hearing Managing Director J. G. Goetz's analysis of the workmen's compensation rating changes sought by the National Bureau of Casualty & Surety Underwriters, directed Mr. Goetz to ask the New York department for further hearings to supplement the one held May 10, and in case this should not be possible, to place the institute on record as opposing the changes.

Mr. Goetz, at the May 10 hearing, urged that further hearings be held on the proposals and that while practically all members of Risk Research Institute pay more than \$5,000 per year in compensation premiums and hence would stand to benefit by the proposed changes, the organization wished to be certain that any reduction in cost was not at the expense of policyholders paying less than \$5,000 a year in premiums. At that time, however, he made it clear that the institute was not taking a stand for or against the proposals.

Membership Informed of Changes

Before the meeting Risk Research Institute sent to its membership copies of memoranda stating the respective positions of the National Bureau and of the National Association of Mutual Casualty Companies. In his statement to the membership Mr. Goetz quoted William Leslie, general manager of the National Bureau, and A. V. Gruhn, general manager of the mutual association as having stated repeatedly that the proposal to decrease the loading under retrospective rating by cutting the allowance for the carrier's administration expense by 6 to 37 percent (depending upon the size of policy), would not increase the rate for the policyholder paying less than \$5,000 a year.

Mr. Goetz also quoted Mr. Leslie as having said that the loss of large risks with which stock companies were threatened if they did not make these modifications would leave them with an excessive number of small premium payers, and that since small premium policies cost more to administer than large ones it could be expected that rates on small policies would automatically increase.

Gruhn's Argument Is Cited

Mr. Goetz quoted from Mr. Gruhn's memorandum opposing the proposed increase in the acquisition cost for all risks from the present 15 percent to 17.5 percent. As to the plan to graduate the ex-

(CONTINUED ON PAGE 24)

Recent Casualty Changes Outlined at Ohio Meeting

COLUMBUS, O.—Recent changes in casualty coverages were outlined by Norman McCulloch, production manager Globe Indemnity, at the Ohio Association of Insurance Agents meeting. He said that the many changes in casualty coverages made it difficult both for the agent and home office man to keep up to date, but such changes were good for the business, good for the insurance buying public, acceptable to the underwriters, and beneficial to producers. "After all," he said, "is it not true that most ordered changes are in answer to public demand, necessary regulation or to increase the salability of the product?" Mr. McCulloch divided his topic into automobile, burglary, liability, plate glass, accident and health, and boiler and machinery general divisions.

The general consensus now is, he said, that the safe driver plan was a wise move, "although admittedly it was not the final answer to the underwriting of private passenger car business." The \$1,000 single limit policy has proved in many instances to be the springboard from which many producers sold higher limits of liability after securing the interest of previously uninsured people.

Broadened Automobile Coverages

Broadening of the automobile coverages included the application of reduction factors to trailers on commercial automobile fleets; inclusion of drive other car coverage in private passenger car policies, the granting of non-ownership coverage to the named insured where domestic servants or private chauffeurs drove his private cars on personal business, and permission for occasional use of commercial cars for personal pleasure or family use; the private passenger automobile classification brought out last spring; the rule reducing from 500 to 100 the number of employees in class 2 required to make a risk eligible for special rating nonownership coverage; medical reimbursement coverage, now available in \$750, \$1,000, and \$2,000 units; the trend toward uniform rates for all private passenger cars falling into the W, X, and Y classifications; the class 5 rating for commercial cars at rates 15 percent less than those currently applying to class 4. Lastly, he said, the general broadening of the insuring clauses and the elimination of exclusions in the recent revision of the standard automobile liability policy practically constitute the offering of a new standard automobile policy.

Since the issuance of the \$500 residence burglary, theft and larceny policy, he said, bureau companies have insured 30,000 families who had not previously carried burglary insurance. The percentage of old insured who requested the new policy with its reduced limit was negligible. Broadening of the messenger and interior robbery policy included the granting of 24 hour protection without additional charge instead of the previous limitations. Kidnapping losses under messenger robbery policies and theft subsequent to daytime breaking of show windows in connection with interior robbery were also made avail-

able. The day after this latter protection was made effective such a loss in Detroit was considered covered although the policy had not yet been endorsed.

Starting last fall open stock burglary policies may be written on a three year term basis. A new all risk securities policy in connection with messenger robbery is now available and securities policies have been extended to cover loss while such securities are deposited with public officials or banks. Recently, a similar type of coverage on cash as well as securities was provided.

In connection with storekeepers' burglary and robbery policies, there is provision for the granting of additional units to one insured up to a total of three, each additional unit at one-half of the initial unit rate. Last spring the first step was taken in providing theft insurance away from the premises designated under a residence burglary policy.

A new residence burglary, theft and larceny policy, effective June 17, an extension of this step, has just been announced. Among other things, he said, it provides for theft from temporary residences for a period of one month, theft from trains and other public conveyances, theft from the person or from the presence of the person insured under the residence policy, and from servants up to 10 percent of the amount of the insurance.

Numerous Rate Reductions

Numerous reductions of rates for residence burglary coverages both in basic rates and in larger percentage on increased or large amounts of insurance were effective a short time ago. At the present time, he said, other comprehensive changes and broadening endorsements are in the process of study which will undoubtedly result in greater improvements.

Compensation insurance in many classifications has shown a profit to most bureau companies during the past few years. On the other hand, Mr. McCulloch said, there is every possibility that a swing to anything like a normal cycle of business can easily cause loss ratios to go the other way and for this reason underwriters in general are at present treating the subject liberally but carefully. Trends are found in various parts of the country, particularly in connection with occupational diseases coverages, which if permitted to have full sway might quite easily have a very dangerous effect on general compensation loss ratios.

General Liability Improvements

As respects general liability lines, there have been three or four major changes or improvements within the past year or two. The more important of these includes the development of general liability policies on private residences. Most of the changes were in the form of broadening of already established coverages, especially the inclusion without charge of other buildings, such as garages, stables, etc., away from the designated premises unless used for business or dwelling purposes;

(CONTINUED ON PAGE 20)

Lewis Criticizes Rate Cutting in Surety Field

Non-Bureau Companies Sell Below Established Price, He Tells Ohioans

COLUMBUS, O.—M. W. Lewis, president Towner Rating Bureau, at the meeting of the Ohio Association of Insurance Agents here, sharply criticized the activity of rate cutting companies in the surety field. No company is entitled to get business simply because it offers its service at a percentage of the rate, Mr. Lewis asserted. State highway construction projects are the largest source of contract bond business in Ohio and the business is allotted to a group of non-bureau companies at 75 percent of the rate, Mr. Lewis said.

There is no mystery, but some fundamental differences between suretyship and insurance. Insurance, he said, covers a loss which is discoverable within the period of the contract, while in the surety business, the underwriter never knows what the losses really are but only knows about the losses which have been already discovered.

Mr. Lewis said that it was anticipated there would be a large amount of business from the government rearmament program and that it would not be concentrated in a few large cities, but well distributed over the entire country.

A grave danger confronts the contract bond underwriter because of the dwindling amount of construction through the using up of the PWA appropriation.

Mr. Lewis said that bond underwriters may expect fidelity losses to occur because of stock market speculation. Such losses always occur after wide stock market fluctuations, he said. The agent should stress the need of fidelity coverage to every employer in this connection.

Mr. Lewis said that agents should go out and sell contract bonds to private owners exactly as they go out on the other lines.

"We as a rating bureau will not engage in a rate cutting program," Mr. Lewis declared. He said that the recent reduction on bankers' blanket bonds was not competitive, the reduction having been earned by banks on their improved experience.

The house of surety is a single house and should not be divided, he asserted. He urged every stock company engaged in the surety business to work together for their common objective.

The government's rearmament program requires additional employment, Mr. Lewis said. It will take skilled labor away from private construction work.

All foreign companies admitted in the United States are in a sound position and he wouldn't give their financial posi-

(CONTINUED ON PAGE 24)

Sawyer Explains Revised Contracts

National Bureau Official Gives Information on New Liability Policies

NEW YORK—Application of the different clauses of the several schedule liability policies, use of which was authorized by the National Bureau of Casualty & Surety Underwriters two weeks ago, was explained to members of the Casualty Underwriters Forum of New York by E. W. Sawyer, attorney for the bureau.

The revised contracts, which had been in preparation for over 12 months, Mr. Sawyer said, broadened materially the coverage previously granted as well as providing the protection in simplified form. Use of the new policies by carriers is optional, individual offices being free to change the arrangements of the provisions or to eliminate certain of them altogether if they see fit.

Managerial Attitude Changed

The initial reception of the contracts by many offices, he admitted, was hostile but as they were given attentive study, the attitude of managers thereto was completely reversed and the support of companies is now generally accorded. The desire of the managerial committee charged with revising the policies was to standardize provisions so far as possible in keeping with those of the automobile liability contract.

The eventual aim, he said, was to issue a comprehensive form of policy, which may come about in the not distant future.

SPEAKS AT MASS. BANKERS PARLEY

SWAMPSCOTT, MASS. — E. W. Sawyer, New York, attorney National Bureau of Casualty & Surety Underwriters, told the convention of the Massachusetts Bankers Association here that both the insurance business and the banking business have been justly criticized in the past for slowness in adapting their methods to new conditions, but both have now abandoned the "take it or leave it" attitude. He said that the insurance business is now ready and willing to listen to the public and urged bankers to bring their special needs to the attention of carriers.

For proper insurance activity of a bank, Mr. Sawyer summarized: "Study the needs of your bank. Adopt an insurance program. Centralize the administration. Take your unsolved or unsatisfactorily solved problems to your association. Coordinate efforts of all members upon your common problems. Centralize authority to execute plans as you negotiate. Establish cooperation with central organizations of insurance carriers. Take your problems to them. You will be surprised at the results of cooperation between our two institutions."

After reviewing the exposures of different banks and the insurance coverages available, Mr. Sawyer said that the extent of a bank's insurance should be a matter of policy and should not be left to one individual or one department. Once a definite program is adopted, however, its administration should be placed upon one man or one department. If the business of a bank is sufficient to warrant the expense, insurance should be made the primary responsibility of a thoroughly trained and experienced executive. If it is not large enough, the bank should rely heavily upon the advice of a competent agent or broker.

Bank associations should give much attention to insurance, Mr. Sawyer said. Every association should have an insurance section and an insurance committee and at least semi-annual meetings should be held with round table discussions. For negotiations, authority should again be centralized, a small

Expect Nelson to Be U. S. Casualty President



J. ARTHUR NELSON

NEW YORK—The expectation is that J. Arthur Nelson will be elected president of United States Casualty to take the place of the late Norman R. Moray. Mr. Nelson is president of New Amsterdam Casualty, which has a close relationship with United States Casualty. Mr. Nelson will undoubtedly maintain close supervision over the affairs of the United States Casualty although the actual operations will be conducted by the executives at the New York headquarters.

committee or an insurance counsel negotiating with other bank associations and with insurance representatives. If a state association is a member of a national or regional body, the same steps should be taken. Matters should be considered by all, but administered by few.

A most desirable step would be the creation of a permanent position of insurance counsel by a bank association. A competent, experienced executive who devoted his entire time would amply repay the expense.

Mr. Sawyer said that in his belief the major requirement of banks is not new coverages but combinations of existing coverages which will automatically attach when a hazard is created. This can be done without much trouble in casualty, fidelity, marine and inland marine insurance. It may be more difficult in fire insurance because of the limitations on freedom of action, but if banks have a legitimate need ways can eventually be found to meet it.

Tennessee Loan Guarantee Outfits Are Condemned

NASHVILLE — Commissioner McCormack of Tennessee is taking action against the Atlas Surety of Chattanooga and the Liberty Guaranty of Nashville, chartered to guarantee personal notes by endorsing notes. The firms have refused to be recognized as surety companies on the grounds that endorsing a note is not a contract of insurance. This contention was upheld by the chancery court but is being appealed to the court of appeals.

New "Comp" Rates for 3 States

NEW YORK—Revised rates filed by the National Council on Compensation Insurance have been approved by the Indiana, Kentucky and Tennessee departments. In each state the new figures show an average over-all reduction from rates now in force, the reduction in Indiana being 8.5 percent, in Kentucky 5 percent and in Tennessee 10.7 percent. The new rates become effective in Kentucky June 30 and in the two other states July 1.

Brokers Protest Kemper's Election to U. S. Chamber

BOSTON—The Insurance Brokers Association of Massachusetts has sent a letter to the directors of the United States Chamber of Commerce, and to secretaries of some 125 local chambers protesting the election of James S. Kemper as president of the U. S. Chamber as being inconsistent with the Chamber's standing on the private profit system. The letter is signed by Albert Cross, chairman of the public relations committee. Mr. Kemper is president of Lumbermen's Mutual Casualty and affiliated companies of Chicago.

"The insurance cooperative has long traveled under the name of mutual insurance," the letter states, "with the result that the average business man has failed to recognize this particular enemy to our private profit system of business. As a result of this lack of understanding you will find many business men who naturally realize the menace of the cooperative movement . . . enrolled as members and directors of so-called mutual insurance organizations."

The letter praises what the United States Chamber has done in resisting the inroads of consumer cooperatives and it voices the belief that it is strange that the U. S. Chamber should desire the leadership of Mr. Kemper. The letter contends that Mr. Kemper is an outstanding representative of the "insurance consumer cooperative movement."

"In our opinion," the letter states, "the United States Chamber . . . has placed itself on record as approving Mr. Kemper's activities, at least in promoting the elimination of private profit from the business of insurance."

Agents to Get Commissions Under Auto Assigned Risk Plan Recommended in Ill.

A two-day meeting was held by company representatives writing automobile liability and property damage in Illinois comprising the committee to consider an assigned risk plan for the state appointed by Insurance Director Palmer. The meeting was also attended by a large number of other company officials.

A draft of the plan theretofore prepared, was discussed and all details agreed upon. It is being put into final form for submission to Mr. Palmer, and upon his approval, to all companies writing auto insurance in the state.

The plan to a large extent follows the one effective in Maine and New Hampshire, but is limited solely to those risks which are required to carry insurance under the Illinois financial responsibility law and the Illinois truck act. Assignments of risks are to be based upon each company's volume of liability and property damage premiums in Illinois. The plan will be administered by a committee representing all branches of the automobile business, to be selected each year by the companies licensed to write such business.

It is understood that the rate for taxicab and similar risks will be loaded 10 percent and that a commission of 5 percent will be paid to the producer and 2½ percent for countersignature or over-riding and that all other risks will be loaded 6½ percent and the producer will get 10 percent commission and an over-riding or countersignature fee of 2½ percent will be paid.

Each company will use its own rates and rating plan on assigned risks but, subject to the approval of the insurance department, a higher rate may be charged if the hazard warrants. In order to qualify for assignment a risk must have been rejected by three companies.

The question of the administrative agency was one of the main issues

Prominent Speaker at the Virginia Agents Meeting

F. W. Potter of Hartford, field supervisor of the Aetna Casualty & Surety, will be one of the prominent speakers at the annual meeting of the Virginia Association of Insurance Agents at Virginia Beach the last part of this week. Mr. Potter is a well known teacher and his talks are always informative. Vincent Cullen, president National Surety, who has appeared on a number of programs, will also grace the occasion. The Virginia association has made rapid strides. O. H. West of Richmond is the manager, giving all his time to the organization.



F. W. POTTER

faced by the committee. A majority of the committee opposed permitting the National Bureau of Casualty & Surety Underwriters to serve in that capacity. The Illinois situation is complicated by the fact that there is such a variety of rates and rating methods in vogue and because the companies operating in the state range so greatly in size, type, and area of operations.

The committee and those in attendance at the meeting also gave consideration to the questions raised by the bulletin of Mr. Palmer on Jan. 26, dealing with various problems relating to automobile fleet rates and rating methods, particularly to so-called equity, retrospective, experience, and gross receipts or earning bases plans. It was concluded that it was not the province of the committee, nor was it desirable to attempt to formulate any uniform plans in that respect, and that the plans of the individual companies were distinctive problems to be solved between such companies and the department, and that any such plan which could be uniformly applied and was not unjust, unreasonable, discriminatory or preferential, should be approved.

It was the consensus that not sufficient experience had been had with comprehensive liability policies presently to determine whether the inclusion of automobile liability therein could be administered within the provisions of the code.

At the conclusion of the committee's deliberations, Special Deputy H. A. Miller of the Illinois department was invited to sit in with the committee, and a report of the deliberations and conclusions was thereupon given to the department.

New England Casualty Joins

NEW YORK—New England Casualty has joined the Surety Association of America and Towner Rating Bureau. The company is not yet writing fidelity and surety lines direct but it is taking reinsurance.

K. C.-St. Louis Get-Together

A number of members of the Kansas City Surety Association were the guests Tuesday of the Surety Underwriters Association of St. Louis at their annual get-together, held this year at the Glen Echo Country Club in St. Louis county. In the afternoon, despite a downpour of rain, there was a golf tournament. Golf prizes were awarded at the dinner that evening. J. E. Auchly of the St. Louis office of the U. S. F. & G. presided.

Stage Regional Gatherings

The Illinois National Casualty will hold a series of regional agency meetings, starting June 4 at the Mohawk Country Club in Bensenville, for agents in northeastern Illinois, including Cook county. Another meeting will be held June 12 at Peru for Indiana agents.

Hospital Cover Claim Rate Is Still Increasing

Actuaries, at Chicago Session, Voice Hope for Leveling Off at Some Point

Interesting observations were made on the subject of hospitalization insurance in the period for informal discussion at the annual meeting of the American Institute of Actuaries in Chicago.

G. W. Fitzhugh, Metropolitan Life, pointed out that eight large life companies last year had insured 823,000 employees for hospitalization and he estimated that all life companies had as many as 1,000,000 insured. The eight companies, he said, have covered some 600,000 employees under surgical operation contracts.

Interest in hospitalization insurance, he said, increased greatly with provisions including dependents of employees. The hospital associations have pushed that feature aggressively, he said.

At first there were some obstacles to the issuance of coverage on dependents but now they can be included in all states except Washington.

Selection at Inception

Mr. Fitzhugh said that there is a decided selection at the inception of the contract and the claim rate has increased over the first two or three years. He expressed the hope that the trend will not keep increasing for the next five and six years and that there will be a leveling off at some point.

The companies are finding that the cost of these additional coverages, on top of group life and group accident, is becoming heavy and unless an employer makes a major contribution the cost to the employee may become a big burden. He suggested that some limit might be placed upon the total contribution of employees for all types of benefits, perhaps 3 or 4 percent of payroll. If the employees are called upon to make higher contributions than that there is the danger that the group will deteriorate; that the most satisfactory assured will drop out.

K. B. Piper, Provident Life & Accident, estimated that some 4,500,000 are insured under non-profit hospitalization plans. The need for hospitalization insurance, he said, is most apparent in the middle range of income, those who are accustomed to semi-private accommodations and who will not accept the care that is given indigents.

Higher Income Enrollment

In group cases, the enrollment is more complete in higher income groups, he declared. Among the lower income workers, the benefits have to be supplemented by insurance against surgical fees, he declared. The other medical fees are not too burdensome for the individual to handle himself.

The large number of self employed persons cannot be brought under group coverage and the non-profit organizations seem to have little interest in these individuals.

Rates are not stable, particularly in respect of dependent coverage, he said. There is a great diversity in rates and practices as among companies. He cited the recent statement of Commissioner Harrington of Massachusetts that small companies should not write this business.

So far as individual coverage is concerned, the question is, he said, whether the rates can be held in midstream. Per-

National Council Analyzes Experience of Risks Retrospectively Rated

The National Council on Compensation Insurance has prepared an exhibit showing the results of applying the retrospective rating plan to risks having operations in one or more states under the administrative jurisdiction of the National Council. The figures include the results of the first retrospective adjustment on all such risks, the policies for which expired in 1937, 1938 and 1939 up to July 1.

There was one risk expiring in 1937, the standard premium for which was \$15,772. During 1938, there were 44 risks with standard premium of \$648,478 and during 1939 up to July 1 there were 67 risks with standard premium of \$1,224,335. The total number of risks was

112 and the standard premium \$1,888,585.

Summary of Results

Herewith is given a summary of the results in respect of those 112 risks:

| | Total Premiums | Prem. Nat. Council States |
|---------------------------------------|----------------|---------------------------|
| Standard premium.. | \$1,888,585 | \$1,052,039 |
| Retrospective Prem. | 1,473,549 | 858,370 |
| Ratio Retro. Prem. to Stand. Prem.... | .780 | .816 |
| Incurred losses..... | 762,359 | 439,193 |
| Loss ratio standard basis..... | .404 | .417 |
| Loss ratio Retro. basis..... | .517 | .512 |

Herewith is given a breakdown of the same risks according to size of earned standard premium:

| Size of Earned Standard Prem. (1) | No. of Risks (2) | Standard Prem. (3) | Retro. Prem. (4) | Ratio Retro. to Stand. Prem. (4) ÷ (3) | Incurred Losses (5) | Loss Ratio (5) ÷ (4) | Ratio Retro. to Stand. Basis (6) ÷ (3) | Loss Ratio Retro. Basis (6) ÷ (4) |
|-----------------------------------|------------------|--------------------|------------------|--|---------------------|----------------------|--|-----------------------------------|
| Under \$5,000 | 19 | \$ 58,857 | \$ 47,457 | .806 | \$ 15,832 | .269 | .334 | .334 |
| \$ 5,000-\$ 7,499 | 24 | 148,836 | 136,076 | .914 | 76,648 | .515 | .563 | .563 |
| 7,500- 9,999 | 14 | 122,016 | 105,055 | .861 | 54,786 | .449 | .521 | .521 |
| 10,000- 14,999 | 23 | 277,282 | 248,940 | .898 | 125,399 | .452 | .504 | .504 |
| 15,000- 19,999 | 8 | 134,167 | 114,305 | .852 | 62,150 | .463 | .544 | .544 |
| 20,000- 29,999 | 9 | 223,138 | 164,298 | .736 | 75,482 | .338 | .459 | .459 |
| 30,000- 39,999 | 7 | 241,923 | 178,080 | .736 | 91,162 | .377 | .512 | .512 |
| 40,000- 49,999 | 3 | 130,377 | 129,038 | .990 | 77,656 | .596 | .602 | .602 |
| 50,000- 74,999 | 2 | 158,490 | 85,405 | .539 | 38,429 | .242 | .450 | .450 |
| 75,000- 99,999 | 2 | 235,639 | 171,558 | .728 | 97,759 | .415 | .570 | .570 |
| 100,000- 149,999 | 1 | 157,860 | 93,337 | .591 | 47,056 | .298 | .504 | .504 |
| 150,000- 249,999 | 2 | 1,888,585 | \$1,473,549 | .780 | \$762,359 | .404 | .517 | .517 |
| Total | 112 | \$1,888,585 | \$1,473,549 | .780 | \$762,359 | .404 | .517 | .517 |

Retrospective rating is applicable in these states under the jurisdiction of the National Council on Compensation Insurance: Alabama, Colorado, Dis-

trict of Columbia, Florida, Idaho, Indiana, Kansas, Kentucky, Louisiana, Montana, Michigan, Oklahoma, South Carolina and Tennessee.

haps the reimbursement principle should be applied. Assured under hospitalization coverage should not be permitted to make a profit by skimping on the accommodations that they use, he said.

W. A. Millman, Equitable Society, expressed the belief that the growth of non-profit hospital associations is slowing down. At the same time the hospital group coverage business of private companies is accelerating. One reason may be that the hospital associations are confining their efforts largely to those who are in the range that uses semi-private facilities. There are a limited number of those who fall in that group. The group companies, on the other hand, offer greater flexibility of coverage and they are aiming at the ward type. Moreover the group companies are providing surgical benefits and this is popular.

At first, he said, the promoters of hospital associations ignored insurance considerations but now the managements of those associations recognize that they must adhere to the insurance fundamentals.

Few associations have analyzed their experience, he said. They are running into the full cost of maternity benefits. Usually there is a 10 or 12 month probationary period in this respect. Few of the associations now recognize the extent of the cost that they will ultimately bear in connection with these benefits.

Apparently the claim rate is increasing with the increasing term of insurance. This may be due to a deterioration of lives following the initial selection, withdrawal of healthier lives, and the fact that those insured are becoming alive to the possibilities of the coverage and because doctors are recommending hospitalization more commonly when they find that a patient has the coverage.

R. A. Hohaus, associate actuary Metropolitan Life, inquired whether the actuaries were receiving requests from hospital associations for free consultation and advice. About eight members indicated that they received such requests. Mr. Hohaus said that the institute is endeavoring to get the actuary of the New York hospital plan to write a paper.

Wendell Coler, American United Life, said that the insurance departments are seeking information in the field.

Bureaus Bring Out New Principal's Protective Form

Covers Liability of Employer to Workers of Indeterminate Status

NEW YORK—For concerns having large numbers of workers who are on the borderline between employees and independent contractors the National Bureau of Casualty & Surety Underwriters and the Mutual Casualty Insurance Bureau of New York have brought out the "principal's protective" policy. It is in some respects similar to the coverage for newsboys developed for the American Newspaper Publishers Association by Attorney E. W. Sawyer of the National Bureau, who at that time was with the Liberty Mutual.

The original form had a schedule of benefits designed to give the newsboys the same protection they would have had under workmen's compensation. That feature is now left out but can be added if the employer desires. Instead of it the employer is given protection against any liability to the public which he may have for the acts of these workers.

Covers Liability to Workers

The principal function of the policy is to cover the liability of the employer to the worker. Without such a policy the employer must either regard these borderline workers as employees and pay the full compensation premium or take his chances and hold the insurance company harmless in case of any claims from the workers against the employer.

With the principal's protective policy the newspaper publisher, for example, agrees in writing to indemnify the workmen's compensation carrier for any compensation claims that may be sustained by reason of the worker being held to be an employee within the meaning of the state compensation act. Thus the employer pays no compensation premium on this type of worker. The premium is about half what would be charged for regular workmen's compensation insurance.

Fits Those of Indeterminate Status

The new policy may be used not only by newspaper publishers but wherever there is a high percentage of workers who are in a somewhat indeterminate status between employer and independent contractor, such as commission salesmen and bakery truck drivers, who buy their supplies wholesale and sell them retail. In many such cases the exact status is so difficult to determine that an injured workman could probably obtain a compensation award if he sought it. Yet the employers regard them as independent contractors and will not pay compensation premiums on them.

General Accident Extra Cover

General Accident has made available medical and surgical expense endorsements for attachment to its family liability policy, which corresponds rather closely to the personal liability policy issued by bureau companies except that General Accident covers the liability of minor children without extra charge. The endorsement provides reimbursement for medical and surgical expense for domestic servants and private chauffeurs irrespective of liability. The coverage is offered in limits of \$250 and \$500.

Interest in Auto Cover on Oregon State-Owned Cars

PORTLAND, ORE.—The Oregon state board of control has called for bids for automobile insurance on state-owned cars for the year beginning July 1. Bids are to be opened at Salem, June 17. The fleet runs somewhere between 1,500 and 1,600 vehicles and was the source of considerable agitation among companies and their Oregon representatives last year. The U. S. Guarantee through its Portland agents, Dooly & Co. filed the low bid and was awarded the business last year, but complaint was filed with the Oregon Casualty Bureau that the bid was not in accordance with the company's filed rates.

Policy Is Cancelled

The company maintained that its filed bid was legal by virtue of the "individual risk rating plan" then in effect, which under certain circumstances permitted special rating of risks to recognize unusual meritorious features. The opposition countered with the charge that application for specific rating of the risk under the individual risk rating plan had not been made by the U. S. Guarantee to the Casualty Bureau, as required. A hearing was conducted by Manager L. M. Koon of the bureau, with the decision that the U. S. Guarantee's policy had not been written in accordance with either its filed rates or the individual risk rating plan. The policy subsequently was cancelled, and the business written for the unexpired time from Jan. 1 to July 1, 1940, by the American General.

G. T. Crisp Is Promoted

BOSTON—G. T. Crisp, vice-president and underwriting manager of the American Mutual Liability, has been appointed general manager of the sales department. He is a graduate of Morning-side College and Fordham Law School. He started his insurance work with the Continental Casualty of Chicago, later became affiliated with Crum & Forster in New York City. He went with the American Mutual in 1935 in the underwriting department, was made underwriting manager in 1936. In 1937 he was elected an assistant vice-president and became a vice-president last February.

Recent Casualty Changes Outlined at Ohio Meeting

(CONTINUED FROM PAGE 17)

inclusion of cemetery plots and burial vaults, without charge, as locations covered. Where incidental residence occupancy of other buildings on the designated premises occurred, the policy was extended to cover such additional buildings without charge. Demolition of existing residence buildings or the erection of new ones on the same premises other than the original residence, are covered without additional charge under the broadening of the additions and alterations clause.

Popularity of the personal liability policy has increased during the past year and a half and it is now available more or less as a family policy designed to cover the acts of minor children, adult members of the household regularly residing in the residence, and sports liability of various kinds. For a small additional premium the policy can be extended to cover the liability of the named insured for dog liability, saddle horse liability, the operation of power or sail boats, protection of minor children for their own personal liability, and even employers' liability covering domestic servants and private chauffeurs.

New Blanket Liability

The new blanket liability policy provides for the protection of business operations a combination of a number of coverages formerly granted under specific policies with automatic protection for hazards unknown at the time of issuance of the policy. Subject to special rating, provided enough premium is involved, it is used under equity rules and can be made available, if desired, on a three year basis, subject to an annual audit and an initial deposit premium. Discounts applicable apply to any fixed premium charges on three year policies, paid in advance or on a 50-30-20 basis. The policy is issued subject to the completion of detailed questionnaires and inspections and is becoming more and more popular with producers throughout the country, particularly those who believe in survey selling methods.

Retrospective rating, first brought out in connection with large compensation risks, is gradually being extended to automobile and general liability lines where the risks are large enough to be able to control to a large extent their individual loss ratios and which can be given greater credence for their own individual loss ratios than under any other rating plan. Statistics indicate many desirable changes in the presently accepted formula. Experience shows that it is particularly adapted to single stationary location risks where the entire operations are controllable.

Acid or chemical damage to glass lettering or ornamentation, whether damage occurred accidentally or maliciously, was added to the standard plate glass policy last August, a 25 percent charge previously being made for same. A \$75 maximum allowance for damage to window sash brought that coverage within the policy. Subject to the same limitation, expenses of boarding up or installing temporary plate glass after an accident, as well as for the cost of removing or replacing fixtures or other obstructions necessary at time of replacement, were covered. A total limit of \$150 was put in respect of any one occurrence on these allowances for each listed premises.

Changes in manual rules, such as the insuring of bent glass over 21 square feet in area or stained glass in leaded sections on a valuation basis have made plate glass insurance more salable.

Decision of the bureau companies to write the 50-50 policies was in response to public demand. When selling this policy, it should be borne in mind that insured plates should be inspected annually to prevent carrying over small losses from one policy year to the next,

which would normally be paid by the insured under the cumulative deductible feature.

Sufficient experience has not been accumulated on the \$5 automobile accident policy to determine its desirability from the company standpoint. It has proved timely and salable. A number of companies have brought out medical expense accident policies for students with standard provisions requiring that they be issued as individual policies but only to groups of 50 percent or more of any one student body, boys or girls, covering medical expense arising out of accidents any time during the school years, including accidents sustained while engaged in sports subject to \$250 policy limit or \$500 reimbursement, while further study is being given to extending the coverage for medical expense health claims.

Hospitalization Still Experimental

His company, Mr. McCulloch said, feels that hospitalization is purely in its experimental status, and it hesitates to bring out an experimental form, bringing subsequent embarrassment to agents if it were subsequently necessary to revise or limit the form.

A number of rate reductions on annual and term boiler and machinery policies were made last year. The coverage is a desirable one from the agents' standpoint, he stated. The old reduced limit of liability for personal injury has been eliminated and such policies are now issued on a single limit basis which should make them more attractive.

Rates were recently promulgated for full coverage on air conditioning units of 30 horsepower or less, giving a new coverage similar to that previously available for small refrigerating units. A new adjustment clause was adopted to facilitate the settling of claims on certain types of equipment where there is concurrent fire insurance in existence, particularly that carried on a deductible basis.

The scheduled liability policy which has just been announced, Mr. McCulloch said, is a flexible coverage. The O. L. & T. revisions just made effective have a number of provisions which include without additional charge alterations in premises, installation, servicing, demonstration, pick up and delivery, and a reduction in minimum charges.

Grantors' liability coverage, Mr. McCulloch said in answer to a question, protects an individual who has sold a piece of property when a claim arises six or eight months after the sale and the new owner is not liable.

Indemnity of N. A. Auto Meet

NEWARK—More than 100 agents of the Indemnity of North America in northern New Jersey attended a one-day sales conference here. Thomas F. Cass, assistant secretary in charge of the home office automobile department, spoke on automobile coverage, followed by a general discussion on automobile liability and property damage coverage. M. M. Dickinson, Newark manager, was host.

Confer on California Proposals

SAN FRANCISCO—Rollo E. Fay, manager Pacific Coast branch National Bureau of Casualty & Surety Underwriters; D. W. Burbank, its attorney, and representatives of companies and the California state compensation fund, met with Commissioner Caminetti for the purpose of considering the various proposals, forms and suggestions which have been submitted for the new form of Schedule "W." This schedule, which is to be completed by all companies writing compensation in California, will cover a "breakdown" of expenses of these companies in the state and is to be completed to cover all business since January. Others attending included L. H. Mueller, Associated Indemnity; George McIntosh, Fireman's Fund Indemnity; Milton Johnson, Pacific Indemnity, and Victor Montgomery, Pacific Employers.



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ACCIDENT AND HEALTH

Smorgasbord Entertainment Feature of H. & A. Meeting

A genuine "smorgasbord" prepared in real Minneapolis style will feature the entertainment at the annual meeting of the Health & Accident Underwriters Conference in Minneapolis, June 10-13, as announced by H. P. Skoglund, chairman of the convention committee.

Delegates to the meeting will be initiated into all the mysteries and the art of eating at the smorgasbord Tuesday evening in the Nicollet Hotel. The main ballroom will be specially decorated for the occasion. It will be followed by entertainment of a Scandinavian character. That afternoon delegates at the meeting will be taken on a sight-seeing ride through the beautiful lake region in and surrounding Minneapolis.

The annual conference will be held Wednesday evening with special entertainment and music for dancing by a well known band. President James E. Powell will act as toastmaster and will present gavels to all past presidents of the conference. W. T. Grant, Business Men's Assurance, one of the past presidents, will respond on their behalf. The Minneapolis and St. Paul companies will be hosts at a cocktail party preceding the banquet.

Golf Tournament June 10

The conference golf tournament will be held Monday, June 10, at the Minneapolis Country Club. A golf dinner, to which non-golfers are invited, will be held in the evening with unique entertainment. Golf prizes will be presented to the winners.

Two cars on the Chicago & Northwestern railroad's "400" leaving Chicago Sunday afternoon, June 9, for Minneapolis have been reserved for delegates.

Many delegates will pass through Chicago Sunday in order to arrive in Minneapolis for the golf tournament Monday and those who do so can take advantage of these accommodations. Reservations can be made by writing to A. D. Johnson, chairman transportation committee, 2721 South Michigan avenue, Chicago.

Auto Policy Rates Reduced

The Hoosier Casualty is reducing rates on its "superior" auto accident policy, effective June 1. It can now be written with weekly indemnity of \$15, \$20 or \$25 at annual rates of \$4, \$5 and \$6 respectively. The premium for these amounts has previously been \$5, \$6 and \$7. Weekly hospital indemnity of \$15 up to four weeks is included, with \$10 doctor bills for non-disabling injuries and \$1,000 principal sum. Blanket medical coverage of \$250 can be added for an extra premium of \$3 or \$500 blanket for \$5.

Joins Provident L. & A. in Accident Department

James W. Sedgwick of Champaign, Ill., has joined the accident department staff of the Provident Life & Accident of Chattanooga at its home office.

He formerly was with the Claud Kellerhals agency of Champaign. After a course of training in the home office, he will take up active sales promotion in the field for the accident and health company.



J. W. Sedgwick
division of his

Addy Taking New Post; Is Succeeded by Schuelke

Edward Addy, for the last four years agency supervisor of the disability division of Continental Casualty in Chicago, is resigning to become manager of the accident and health department of the Cipris Agency in Michigan City, which is general agent of Continental Casualty.

A banquet was given in Mr. Addy's honor in Chicago, about 25 associates attending. He was presented a wrist watch by friends and employees. Jay DeYoung, manager disability division made the presentation speech. Other speakers were J. M. Smith, superintendent of agencies at the home office, and Armand Sommer, assistant vice-president. Mr. Addy will leave Chicago for his new connection June 1.

Robert O. Schuelke was appointed to take over the duties formerly handled by Mr. Addy. He became associated with the Continental Casualty Jan. 1, previously having been with the Lumbermen's Mutual Casualty home office. Mr. Schuelke is a graduate of the Continental Casualty's accident and health training school.

Boyer Back in Chicago

C. H. Boyer, who is now director of the Lutheran Brotherhood of Minneapolis with offices in Chicago, was formerly well known in the accident and health field, having been manager of the accident and health department of General Accident of Philadelphia and the old National Life, U. S. A., of Chicago, from 1912 to 1926, when he retired. He was inactive until 1933 when he opened an office in Harrisburg, Pa., for Lutheran Brotherhood. He not only covers Illinois, Indiana and Michigan, but also is eastern manager supervising Pennsylvania, Maryland, Virginia and West Virginia.

Falvey to Be Toastmaster

Wallace J. Falvey, vice-president Massachusetts Bonding, will be toastmaster at the producers banquet of the New York Accident & Health Club, June 4 at the New Yorker. Mr. Falvey is honorary chairman of the club's Accident & Health Week committee. Other speakers announced are J. T. Taylor, national legislative director American Legion; and H. L. Rice, health commissioner of New York City.

Washington National Iowa Rally

G. R. Kendall, president; W. G. Tallman and H. B. Kendall, vice-presidents, Washington National, addressed Iowa general agents and agents at a combined agency conference and school of instruction in Des Moines.

Dr. Alfred P. Haake, industrial economist, addressed the Cleveland Accident & Health Association on "Americanism."

Chicago Branch Outing June 14

The annual Knollwood outing of the Insurance Exchange branch office of Continental Casualty in Chicago will be held June 14 at Knollwood Country Club, northwest of Chicago. N. O. Hoag, vice-president, will be toastmaster and give recognition to agents and brokers who were leaders in a production contest in April and May in which they qualified to attend. As usual, a number of home office officials are expected to attend.

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COMPENSATION

Predicted Sayer Is to Head Rate Board

NEW YORK—General belief among casualty executives here is that Henry D. Sayer, manager of the State Insurance Fund, will be chosen general manager of the Compensation Insurance Rating Board, in succession to the late Leon S. Senior. Few men are better equipped for the post than Mr. Sayer, who through years of experience gained an exceptional knowledge of compensation insurance, and the laws governing its operation in this state. As a young man he was connected with the office of District Attorney Whitney, and when the latter became governor he named Mr. Sayer as industrial commissioner, affording him unusual opportunity to study hazards in connection with industrial occupations.

After retiring as commissioner, Mr. Sayer established himself as a consultant on occupational diseases and as such was retained for two years or more by the Association of Casualty & Surety Executives, being permanently employed by the organization as manager of its casualty division from February, 1935, to October, 1938, when he retired. He frequently appeared before state bodies in connection with occupational disease hazards, and aided in drafting laws on the subject. When C. G. Smith, manager of the State Fund, died in June, 1938, Mr. Sayer was offered and accepted the office thus vacated, which he continues to hold.

New Pennsylvania Compensation Rates

HARRISBURG, PA.—G. C. Kelly, general manager Pennsylvania Compensation Rating & Inspection Bureau, has advised all casualty companies operating in the state, that a new series of rates for workmen's compensation insurance will become effective, both as to new business and renewals June 30. Outstanding policies, however, will continue under existing charges until their termination dates.

Occupational disease rates are not affected, the schedule issued last July 1 being continued, nor will the new manual contain any material change in experience rating procedure. Such alterations as have been adopted are of a minor character.

Three new classifications were decided upon, covering National Youth Administration employes in colleges and schools, Pierson art employes and landscape gardeners.

Over-All Plan in Minnesota

In the May 9 issue of THE NATIONAL UNDERWRITER there appeared an item from St. Paul regarding an over-all compensation insurance plan that is before the Minnesota compensation insurance board, the item stating erroneously that it was filed by Bituminous Casualty and that E. J. Devitt of the attorney-general's office had ruled it illegal unless full standard rates were charged for each risk under the policy. This plan was not submitted by Bituminous Casualty as stated. The latter has submitted a participating plan upon which no ruling yet has been asked of the attorney-general.

The Pioneer Mutual Compensation of Albuquerque, N. M., has entered Texas.

Big Safety Conference in Lansing

LANSING, MICH. — The Michigan State-wide Safety Conference here had several hundred participants, many with insurance connections. W. O. Hildebrand, secretary-manager Michigan Association of Insurance Agents, was chairman of the public safety division.

ASSOCIATIONS

Chicago Casualty Group Elects

Eric Flesvig, Childs & Wood, was elected president of the Casualty Underwriters Association of Chicago at the annual meeting. J. F. Idler, Zurich, was made vice-president; R. C. Angell, Safety & Claims, secretary; William Grinton, Hartford Accident, treasurer; E. J. Reid and W. A. Osgood, Indemnity of North America, directors. L. M.

Haarvig, Rockwood Company, and A. S. Haines, Safety & Claims, were elected directors last year for two years.

N. J. Casualty Outing

The annual outing of the Casualty Underwriters Association of New Jersey will be held at the Spring Brook Country Club June 6. C. L. Templeman is chairman of the committee in charge.

Clifford DePuy, insurance publisher, talked on the European situation at a joint session of the Casualty & Surety

Club and Iowa Blue Goose in Des Moines.

Movies of the recent picnic featured the meeting of the Casualty Insurance Adjusters Association of Southern California.

J. H. Schisler, assistant manager claim department Fidelity & Deposit, was elected president of the Casualty & Surety Club of Baltimore at its annual meeting.

Read "Fidelity & Surety Bonding" by G. R. Wentz. 400 pages. Price \$2. Order from National Underwriter.

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CHANGES

Important Changes by the Travelers

S. J. Whiteman, casualty manager of the Cincinnati branch of the Travelers, and F. P. Davis, casualty manager of the Indianapolis branch, have exchanged offices. Mr. Whiteman joined the Travelers in October, 1926, and after attending the home office training school went to the Worcester, Mass., branch as field assistant. After returning to attend the training school a second time, he was assigned to the Toledo branch as field assistant. He has served as field assistant in Yonkers and Rochester, as assistant manager at Rochester, and as manager at Cincinnati.

Mr. Davis is prominent in the casualty field, having served as president of the Indianapolis Casualty Club and is well known as 1939 senior golf champion of Indianapolis.

W. A. Foley, assistant manager of the 55 John street, New York, branch of the Travelers, has been appointed manager of the same lines in the Yonkers, N. Y., office. He went with the Travelers in 1917, attended the home office training school and served as special agent in Pittsburgh office before obtaining a leave of absence for military duty during the world war. Upon his return he served again as special agent in Pittsburgh, and later as manager in the Wheeling office.

Kavanagh with Mass. Bonding

Massachusetts Bonding has appointed James E. Kavanagh as special agent in the Texas territory. He entered the business several years ago with the agency of I. Reinhardt & Son of Dallas, where he received training in the casualty and surety department. Later, he entered the company service and has traveled in Texas and elsewhere.

New American General Officials

J. W. Link, Jr., has been elected vice-president of the American General of Houston. He has been in the insurance business in Houston a number of years under the firm name of Link & Co. His agency will be merged with John L. Wortham & Son, of which firm Mr. Link will be a member, but he will devote his time primarily to the American General.

E. R. Barrow, T. G. Barrow and Carle Aderman, Sr., are promoted from secretaries to vice-presidents and L. S. Gregg and T. F. Smith elected secretaries. The company showed a 20 percent increase in premiums for the first quarter.

Isaac with Standard Surety

Philip Richenburg, Boston general agent of Standard Surety & Casualty, has appointed Harry C. Isaac surety bond manager. He has been manager of the New England bond department of the Guardian Casualty and was previously with the Metropolitan Casualty and National Surety.

Christian with Ocean Accident

A. A. Christian has been appointed superintendent of the fidelity and surety departments of the Ocean Accident and Columbia Casualty in Los Angeles. He has held a similar position in the Behrendt-Levy general agency and previously for eight years had been with the Pacific Indemnity.

New Firm Gets Pa. Casualty

National Insurance Management Agency of Chicago has been incorporated, with Carl J. Sanders as president. The organization has been appointed branch manager in Illinois by Pennsylvania Casualty. The office will be open for business Monday in 1861 Insurance Exchange building. Mr.

Sanders is well known among casualty men in Chicago, where he has had long experience in the line. Pennsylvania Casualty in Illinois is writing automobile public liability and property damage and long haul truck and bus business exclusively. Mr. Sanders will appoint general agents in the state.

PERSONALS

G. F. Knickerbocker, vice-president and secretary Great American Indemnity, has completed a tour of Texas agencies.

Though still confined to a hospital at Montclair, N. J., A. R. Lawrence, manager Compensation Rating & Inspection Bureau of New Jersey, is making steady, if slow recovery from the illness first suffered four weeks ago.

George E. Shine, 45, superintendent of the compensation claim division of the Fidelity & Casualty in Boston, died at his home in Brookline, Mass., following a heart attack. He had spent his entire business career with the Fidelity & Casualty.

O. A. Maxwell, 68, Texas manager of the Standard Accident, died at his home in Dallas. After serving as principal of high schools at Taylor and Denison, Tex., he entered the insurance business 28 years ago with the old Southwestern Surety at Denison, later going with the Texas Fidelity & Bonding. About 1920 he became Texas manager of the Lion Bonding and helped organize its accident and health department. Then he joined the Southern Surety, which formerly was Southwestern Surety, as co-manager for Texas. Sixteen years ago he went with the Standard Accident as associate manager at Dallas and soon after that became Texas manager.

Charles H. Symonds, who retired 12 years ago as assistant secretary of Aetna Life, died at his home in Wethersfield, Conn. He was born in Concord, N. H., in 1868.

Expose Death Bed Dividend

BOSTON — The Beacon Insurance Agency, sole agency of the defunct Canton Mutual Liability, although it had outstanding against it a loan of \$100,000, and was insolvent at the time, paid a dividend of 2,000 percent to stockholders on July 1, 1937, according to testimony of Miss Katherine M. O'Leary, chief examiner of the Massachusetts department, before the legislative commission investigating failed mutual casualty companies in Massachusetts.

The dividend amounted to \$6,000 and was paid on a capital of \$300, represented by three shares, of which Paul Mannos, president of Canton, and assistant treasurer of the agency, held two shares. The transaction was illegal, said Miss O'Leary.

Another irregularity described by Miss O'Leary was the withholding by the Canton of some \$48,000 of commissions due the Beacon agency from the Canton which were used to make a better showing for the Canton at the end of the year. It had been explained by company officials that the Beacon agency waived the amount as the Canton was unable to pay full commissions.

Miss O'Leary gave as her reasons for the failure of the company, the undesirable interlocking of company, sole agency and finance company; discarded and undesirable business given a new company; lack of efficient personnel, and lack of adequate capital for financial stability.

Paul Mannos, former president of the Canton and assistant treasurer of the agency, was recalled following Miss O'Leary. He admitted the dividend had been paid on the judgment, he said, of the accountant who declared the agency was making money. Two of the original three shares of the company had been made over to him, he testified, and on these he received \$4,000 of the dividend.

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NEWS OF THE CASUALTY COMPANIES

Lincoln Mutual Indemnity Now in Hands of Department

Following the failure of the voluntary rehabilitation plan of Lincoln Mutual Indemnity of Mansfield, O., the Ohio department has filed suit to take it over for liquidation.

Lincoln Mutual was organized in 1929 and its last statement showed assets \$22,379, premium reserve \$7,406, loss reserve \$10,955, surplus \$1,344. It had a guaranty capital of \$57,092, but there was a deficit of \$51,609. It was organized through the efforts of H. R. Endly and S. H. Glessner. It issued a cash plan policy of 10 percent off manual on fire and theft coverage and 20 percent on public liability and property damage for automobiles. It operated only in Ohio. Mr. Glessner is secretary and treasurer and is the chief operating officer. The assets are chiefly real estate, cash and bills receivable.

Licensed Companies May Write Stop Loss in Mich.

LANSING, MICH.—Insurers licensed to write compensation may issue stop loss or excess coverage to authorized self-insurers in Michigan, according to an opinion of the attorney-general. Employers who purchased such coverage in unlicensed companies will be violating the insurance and labor law.

Single risk excess or catastrophe insurance has been permitted by the department but few employers have made use of it and few companies have filed an acceptable plan. Only one or two carriers have asked for the privilege of writing the stop loss coverage for self-insurers.

The opinion states that the law providing for filing of compensation rates applies equally to rates for partial risks, such as stop loss.

Industrial Lloyds Takes Over Indemnity Exchange

DALLAS—A new Lloyds known as Industrial Lloyds has been organized in Dallas by Temple H. Morrow, Edward C. Hilman and associates, and has re-insured the business of the Industrial Indemnity Exchange. Mr. Morrow is president and Mr. Hilman executive vice-president and secretary of the Traders & General.

Industrial Lloyds starts with underwriterships amounting to \$90,000 of which \$44,600 in securities were contributed by Mr. Hilman and Mr. Morrow. There were eight contributions of \$100 in cash each from W. F. Williams, treasurer of Traders & General; H. O'Connell, Tom C. Stanford, vice-president of Traders & General; C. W. Van Wagoner, H. D. Yeagan, A. J. Halsell, G. A. Crozier and J. P. Parker. The Industrial Indemnity Exchange was managed by the Industrial Underwriters, attorney-in-fact, a partnership composed of Messrs. Morrow and Hilman. It wrote casualty lines, workmen's compensation especially. In 1939 its premium income was \$286,735, of which \$248,849 came from workmen's compensation. It closed the year with assets of \$204,591 and guaranty fund and surplus of \$93,149.

Traders & General, prior to the launching of Industrial Lloyds, received \$59,798 from the Industrial Indemnity Exchange through Industrial Underwriters, and in exchange assigned to the Industrial Underwriters all of its right and interest in the surplus funds of the Industrial Indemnity Exchange as shown on the books of the exchange as of Dec. 31, 1939.

Dividend for Central West

LANSING, MICH. — Commissioner Emery, as receiver for the Central West Casualty of Detroit, has obtained an or-

der from Judge Brennan of Wayne county circuit court permitting a 25 percent dividend payment on all casualty policy claims. The statutory deposit of \$400,000 with the state treasurer is being used to make the payments, \$200,000 on fidelity and surety and \$200,000 on general casualty business. General creditors and depository bond claims, however, are excluded. The depository bond liability, primary cause for failure of the company during the bank holiday period of 1933, has not been definitely fixed.

While the current dividend dissipates the statutory deposit of the Central West, the state still holds a \$300,000 deposit of the Wayne Surety, a subsidiary which is also in receivership.

Officers of the National Mutual Plate Glass of Battle Creek had the legal right to make a contribution of \$4,000 to bring the mutual's finances up to standard, according to an opinion of the attorney general to the insurance department. William Conley, second deputy commissioner, said the mutual now is in sound condition.

Additional Hearing Asked by Institute

(CONTINUED FROM PAGE 17)

pense loading downward as the size of risks increases above \$5,000 in annual premiums, Mr. Goetz cited Mr. Gruhn's statement that "such graduation, applying to the loading in the rates for acquisition, insurance company administration and payroll audit expense, would be accomplished by a discount of 13.6 percent on all premiums in excess of \$5,000 per risk. This discount was produced by a 50 percent reduction in the allowance for these items of expense on premium in excess of \$5,000."

Mr. Gruhn's memorandum indicated that this would mean approximately \$1,600,000 less premium income from the risks above \$5,000. Risk Research members were obviously concerned about the consequences of this reduction in premium income, feeling that while it might not necessitate an immediate increase in rates the result would be a higher loss ratio which would bring about a need for a general increase in rates in two or three years.

Leslie Outlines Position

Mr. Leslie, in his memorandum, took the position that "by introducing graduation of expense the larger risks will be charged for general administration and payroll audit and acquisition expenses in a measure more nearly commensurate with the actual amounts incurred on such risks and thereby may more readily

be persuaded to continue to insure and avoid self-insurance."

K. C. Bell, second vice-president Chase National Bank, New York City, gave a resumé of the paper on the insurance problems of banks which he presented at the recent insurance conference of the American Management Association. J. Albert Robinson, insurance manager McKesson & Robbins, summarized the paper on self-insurance which J. W. Myers, Standard Oil Company of New Jersey, presented at the A. M. A. meeting.

Lewis Criticizes Rate Cutters

(CONTINUED FROM PAGE 17)

tion a single thought, Mr. Lewis stated.

The reason for the requirement on open penalty bonds is due to the rise and fall of the stock market. The bond will respond should securities be lost today and the values subsequently went higher.

W. Va. Cites Errors in Filing

The motor carrier department of the West Virginia public service commission, in a bulletin to insurers giving instructions for handling the insurance requirements of motor carriers subject

to the jurisdiction of the P. S. C., cites some common errors in the execution of insurance certificates. These include offering for filing certificates that have not been signed; filing cargo insurance certificates for policies that afford only P. L. and P. D. protection and vice versa; making errors in the certificate regarding date of expiration; including restrictions in the coverage that are not permissible; local agencies improperly showing the name of the insurer on the certificate.

The P. S. C. points out that the name of the motor carrier as shown in the certificate should be the name in which the commission has issued a certificate of convenience and necessity or permit or the name in which the carrier has filed application under the grandfather clause of the law for a certificate of convenience and necessity or permit.

Chicago Acquisition Rules

Inasmuch as the casualty and surety acquisition cost conferences in New York approved the constitution submitted by the Chicago Acquisition Cost Council, the governing committee of the latter is now engaged in developing a set of rules under which the local organization will work. They will be submitted to the council as a whole before putting them before the national body.

The Eureka Casualty of Philadelphia has been licensed in Ohio.



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POINTERS FOR LOCAL AGENTS

Sales Possibilities Pointed Out at Indiana Parley

Selling insurance is as much fun as fishing, Francis W. Potter, field supervisor Aetna Casualty, declared before the annual educational conference sponsored by the Indiana Association of Insurance Agents at the University of Indiana in Bloomington. In angling for the prospect bait is necessary. He demonstrated the use of the "estimating method" to arouse interest. Working up to an estimated premium cost and developing in the mind of the prospect a feeling that he is getting a lot for his money when the cost is finally announced, has proven a successful sales method in Mr. Potter's experience.

Uses Descriptive Terms

Mr. Potter said he liked to originate new phrases to describe policies so as to be different. By calling a \$5/10,000 automobile liability policy a "Woolworth policy," he cheapened it in the eyes of his prospect to whom he was selling a \$25,000 blanket, loophole-free policy.

Call the broad personal liability policy the "home" policy in meeting competition of the personal property policy, he advised. The "home" policy, he pointed out, picks up everything that's not in the fire policy with extended coverage.

Can Be Readily Sold

Plate glass, owners', landlords' and tenants' liability, and robbery forms have been so greatly broadened lately that they can be readily sold, if properly presented, Mr. Potter declared.

Present day possibilities in "Farm Insurance" were discussed by L. G. Warder, associate manager Hartford Fire at Chicago. "Farming today is America's greatest business," he said. He commented on differences between insuring of farm and city properties.

Highly Specialized

"Farm insurance is a highly specialized branch of the business," he explained, "and does not lend itself to be sold over the counter like some other classes of insurance. No branch of insurance requires a better class of agents, who must not only produce the business but select it. The farm agent is, in fact, the underwriter."

Parker Reviews Rating

Kent H. Parker, Western Actuarial Bureau, Chicago, discussed "The Science of Rates." He traced the development of present schedule rating for fire insurance, particularly under the Dean theory of risk and hazard relativity. Mr. Parker analyzed the law of averages and probability of fire hazard, pointing out that "each factor of hazard is amenable to the law of averages." He touched upon the influence upon rate measurements of the elements of place, of time and loss cost. "Because of difference in building construction the fire insurance cost increases as we go from east to west," he said. The effect of possible conflagrations was noted.

Prevents Unfair Competition

"Scientific rating prevents unfair competition," Mr. Parker said, urging agents to be familiar with the purposes and work of the National Board and the rating bureaus.

Chester A. Snow, secretary Phoenix of Hartford, pointed out the great need for "Business Interruption Insurance," especially in view of the stimulation of industry by the big national defense pro-

gram which will affect all business, damage or destruction by fire or other.

"It is very important," he said, "to sell the right kind of U. & O. policy to fit the assured's earnings curve, keeping in mind that, in manufacturing risks, the earning is made when the product is manufactured, whereas in mercantile risks the earning is made when the merchandise is sold and delivered. A well sold U. & O. policy under the correct form and for an adequate amount never gives trouble in loss adjustment." The value of the contingent form was outlined.

As to why agents should sell U. & O. Mr. Snow said, "Industry is becoming more social minded and, in addition to operating for a profit, also feels a moral obligation to those it employs and to the town in which it is located." Competition for U. & O. is not keen at present. "You will be surprised to learn how many manufacturers and merchants know nothing about it." It is a good

entering wedge for other business.

Edward D. Lawson, manager Fireman's Fund, Chicago, characterized inland marine as the "problem child" of the business. "It is a vibrant, living thing," he said, "and in a constant state of flux. What we set down on paper today may be obsolete tomorrow."

J. Harry Bibby, assistant casualty director United States Fidelity & Guaranty, discussed "Liability Insurance." He attributed the rapid growth in the past few years to new methods of transportation, communication, new industries, products and processes being developed.

"The remarkable growth of the business is due mainly to the ever-expanding application of the law of negligence. People are going to court and are more claim minded. In damage suits based on negligence, questions of fact must be determined by the jury. We may think that we are conducting our business or operating our automobile with reasonable care but if an accident occurs what we think and what a jury may think are two entirely different questions. Anyone who owns, leases or uses property and anyone engaged in a business or profession is subject to the law of negligence."

Application of New Forms Analyzed by Snediker

The extended coverage endorsement is built around or upon the fire policy as a base or foundation. H. O. Snediker, Western Actuarial Bureau, Chicago, pointed out at the regional meeting of the Illinois Association of Insurance Agents in Springfield. The endorsement is made subject to all of the terms and conditions of the fire policy to which it is attached, as well as any riders or endorsements.

The coverage of the policy is extended and not the amount of insurance and the maximum liability is the amount shown on the face of the fire policy.

The extended coverage endorsement attached to a fire policy produces a single, indivisible contract. The endorsement is essentially nothing more than a statement or recitation of the basic policy conditions applying to the perils named, Mr. Snediker said. Under the standard fire policy certain conditions and limitations applying to the insurance against fire are set forth. These are basic conditions. In insuring windstorm, riot, explosion, etc., under the extended coverage endorsement, it is only logical that an additional basic policy condition apply to these new perils.

It is important to attach the extended coverage endorsement to all fire policies covering the same risk in order to avoid any penalty under the apportionment clause, Mr. Snediker pointed out. Although the coverage provided under the extended coverage endorsement is intended to be practically equivalent to separate policies covering the corresponding hazards, by including all coverages in one contract all questions regarding overlapping coverage or divided responsibility are automatically eliminated.

The glass pro rata distribution clause is applicable to all extended coverage perils. This is important in the case of plate glass losses caused by explosion, riot and vehicles.

With the exception of the last paragraph the entire endorsement is designed for direct loss or damage similar to the fire policy. The last paragraph comes into play when indirect losses

such as use and occupancy, rent and leasehold interest, etc., are covered, and the function of this paragraph is to adapt the previous or foregoing conditions to indirect losses.

The extended coverage endorsement has grown to the point where it is nationally recognized as a definite and distinct type of coverage and the advantages of a countrywide uniform form are apparent, Mr. Snediker pointed out.

In explaining the new mandatory endorsement which now must be used in every case with the extended coverage endorsement, Mr. Snediker reviewed the situation. The supplemental contract which preceded the extended coverage endorsement included civil commotion but when the extended coverage endorsement was drafted this peril was deliberately omitted upon the belief that it might possibly impinge or encroach upon the war risk coverage. However, the new war risk and bombardment policy now covers the perils of war, invasion, civil war, insurrection, rebellion, revolution, but not civil commotion. Therefore, inasmuch as the extended coverage endorsement covers riot attending a strike but not civil commotion, there would have been a gap left between these two standard coverages. Since civil commotion is more closely associated with what might be called civil or peace time disturbances, it was decided that civil commotion more properly belonged to the extended coverage endorsement but not in the war risk and bombardment policy, as a mandatory endorsement was prepared to include civil commotion under extended coverage.

New Form Meets Favor

The new builders risk completed value form, also known as the architects form, appears to be meeting with favor, Mr. Snediker said. The most important feature is the elimination of monthly reports, making it at once attractive to both agents and assured as well as the company. By studying a large number of actual figures on building projects of various sizes and kinds,

it was found the relationship between the average value during the construction period and the completed value was about 55 percent. Under the builders risk and completed value form, the risk is written for full value of the completed building, but the rate is 55 percent of the rate applicable to the builders risk which means 55 percent of the 90 percent of the builders risk rate in both cases.

The inception date of the insurance written in this manner should approximate the date on which the construction begins, hence the rule requires the inception date will be not later than the date of commencement of construction of the level of the lowest basement floor and if there is no basement the date is when the construction starts. Furthermore, the policy is to be written for a term of not less than one year and there is no final adjustment of premiums, although the policy may be cancelled short rate, whereupon the earned premium is based on the provisional amount, or, the policy may be canceled pro rata and rewritten under the same conditions as the reporting form or non-reporting builders' risk policy.

The new extra expense form is intended to serve an entirely different purpose and should not be confused with use and occupancy, Mr. Snediker pointed out. The extra expense form's function is to indemnify the assured for necessary or extra abnormal expenses incurred, in order to continue as nearly as practicable the normal operation of the business during the process of rehabilitation of the destroyed plant.

Under the unearned premium endorsement the insurance buyer is protected in his equity in unearned premiums of existing policies.

Great Opportunity Exists Today for Forward Looking Men, H. A. Behrens Asserts

H. A. Behrens, chairman of Continental Casualty and president of Continental Assurance, addressed the following communication to all officers and department heads:

"This memorandum is written to you as bearing solely on the business problems of the Continental companies. It has no international nor national political implications.

"World-wide developments point definitely to changes in business problems in our country. It is useless to guess what those changes may be. It becomes more important than ever, therefore, that each of us do better and more careful thinking in order that we may recognize changing conditions as they develop and consider them for their effect on the problems of each one of us in our administration of the companies' affairs.

"To do that most successfully we must have a receptive mind, the courage of independent thinking and the balance necessary to keep that thinking clear, and by all means, with a full realization of the serious nature of our jobs, let us be sure not to lose our sense of humor.

"We must think forward and not backward. Let us leave the analysis of what has happened to the patriarchs and let us as young men representing a young, vigorous institution consider the present situation as a great opportunity for forward-looking thinking and action. I commend to you what Paul said a great many centuries ago, 'But this one thing I do, forgetting those things which are behind, and reaching forth unto those things which are before.'"

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Lower Rates for Little Rock

LITTLE ROCK, ARK.—The Arkansas Prevention Bureau has put into effect new rates for Little Rock as a result of employment of additional personnel and contemplated improvements

to the fire department which will advance the city from the fifth to fourth class.

The rate reduction on dwellings will be 5 cents per \$100. Rates will not be changed on fireproof structures or on those equipped with sprinkler systems.

Reduction on mercantile buildings will be made after individual inspections.

The Essex County Insurance Agents Association has decided to cooperate with the accident prevention committee of the New Jersey Association of Un-

derwriters in distributing material to industrial plants, service clubs and schools.

Long Beach Mutual Fire, a county mutual, filed petition for permission to incorporate in California.

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

O'Toole Asks Joint Board in St. Louis

ST. LOUIS—Stock insurance interests of all classifications must unite for self defense, John J. O'Toole, president St. Louis Board, declared in a statement urging the extension of the board to include all stock fire and casualty companies.

Under the plan outlined by Mr. O'Toole, the St. Louis Board would be controlled by an executive committee composed of presidents of six organizations representing the Class 1 agents, associated agents and brokers (Class 2), St. Louis Brokers Association, branch office casualty and surety underwriters, automobile underwriters and marine underwriters.

The executive committee would elect its own officers consisting of a president, vice-president, secretary and treasurer.

"Under this setup all matters pertaining to a particular branch of the business would be handled by its organization," Mr. O'Toole pointed out. In other words, matters that would affect only branch office casualty and surety underwriters of Class 1 agents would be discussed and handled entirely in their own organization. All underwriters and producers of stock company insurance would be members of their respective organizations.

Plan Equitable Dues Plan

"The dues to be charged for admission to these individual organizations would take into consideration the dues that must be paid for the operation of the St. Louis Board. Once or twice a year a report would be made to the board as to the number of members and a sum of money paid to the board for each member. The question of dues would have to be determined by the committee now working on this revision which gives each class an opportunity to speak and decide for itself. There is no chance of some one being forced to pay more dues than one should."

"At the present time the St. Louis Board is trying to supervise the fire insurance business only, which is approximately 25 percent of the total amount of business written by agents, permitting the big end of our income to operate without supervision. With an organization such as contemplated, all matters pertaining to the business as a whole can be discussed and in this executive committee we will have the outstanding man of each particular line as a member of the committee and many problems that are unsolved today can be easily disposed of."

Ohio Premiums for Six Years Shown

R. B. Sherman of Columbus, O., Northern Assurance, completed a report on the comparative results of fire and windstorm premiums in Ohio, Western Underwriters Association and non-association stock companies, 1933-1938 inclusive. He says the low ebb of the depression premiums was reached in 1933 when the totals for all stock companies were \$16,941,000 in fire and \$2,660,000 in wind premiums.

He took the 28 non-association companies whose premiums in 1938 were in excess of \$40,000. They wrote 17.4 percent of the \$19,600,800 stock company fire and wind premiums in 1933; 19.2 percent of \$21,718,000 in 1934; 18.7 percent of \$21,342,000 in 1935; 19.3 percent

of \$21,428,700 in 1936; 19.7 percent of \$23,273,500 in 1937 and 19.2 percent of \$21,597,600 in 1938. For the last year, if the volume of the smaller non-association companies were added, it would bring their percentage of total stock companies' writings up to 20.4 percent. With minor fluctuations, the position of the high commission stock companies was not materially changed in the six-year period.

Mr. Sherman reports that the statistics developed show W. U. A. companies have maintained their position fairly well in competition with non-association stock companies paying higher commissions for preferred classes of business. He says: "We can wholeheartedly back the cause of stock insurance, feeling confident that the differences existing within our ranks are not sufficient to seriously disrupt the fortunes of any one group of stock companies, and concentrate our attention on selling the public and our agents the stock company idea of insurance indemnity."

Indiana Agents Hold Mid-Year Session

BLOOMINGTON, IND.—The mid-year meeting of the Indiana Association of Insurance Agents here was restricted to members. President W. C. Myers presided. Reports were made by the treasurer, Geo. W. Mahoney, Indianapolis; legislative committee, Fred C. Richardt, Evansville; by-laws, rules and regulations, Simpson S. Stoner, Greencastle; national councillor's report, Atwood L. Jenkins, Richmond; grievance, J. W. Kirkpatrick, Muncie; casualty, A. W. Jenkins, Richmond; rural agents and membership, Howard Bradshaw, Delphi; fire and accident prevention, Leon Hammer, New Albany; executive secretary, Harry E. McClain.

Membership in the association is now approximately 700 and this will be increased as the need for a strong organization to face proposed legislation inimical to the interests of the business in Indiana next January is recognized.

Stoner Presides at Banquet

At the banquet Simpson M. Stoner, Greencastle, chairman of the insurance committee, presided. He introduced those who had helped put on the educational program. Dr. Arthur M. Weimer, dean of school of business of the University of Indiana, introduced the guest speaker, Dr. Paul H. Douglas, professor of economics, University of Chicago, who discussed the "International Situation." The attendance totaled 300.

President Myers opened the educational conference. Dean Weimer extended a welcome on behalf of the university. Commending the desire of those present for a better knowledge of their business, he said, "The challenge of democracy is that each of us should do our own business better."

Commissioner Viehmann extended a welcome. He said it was gratifying that men in "this important business were willing to take time to attend an educational conference." He referred to the meeting in New York, from which he had just returned, where a reduction in compensation insurance rates had been agreed upon, probably effective July 1.

R. M. Fox, Indianapolis, and Mr. McClain presided at luncheons.

Large Fires in Ill. and Ind.

Two sizable fire losses occurred in the middle west in recent days, one at Peoria, Ill., and the other at Logansport,

Ind. The loss in each fire apparently will run between \$175,000 and \$200,000.

The Peoria fire destroyed the five-story brick structure of the F. Meyer & Bros. Company, furnace pipe factory. There was \$164,250 insurance of which mutual companies had \$197,250 and stock companies \$67,000. Wagner & Glidden of Chicago are the principal adjusters.

The fire in Logansport attacked a warehouse at 16 Melbourne street. The building in the name of Betty & V. Barnes was insured in State of Pa., Northern of New York and St. Paul F. & M. for \$50,000. Grain Dealers National Mutual had the contents of the Callaghan Grocery Company. There was \$75,000 on the property of Shulder & Shloss, wearing apparel manufacturers, written through Waidner, Power, Zweig & Lasch, Chicago. Other occupancies involved were those of Lafayette Grocery Company and Essex Wire Company.

Hold Michigan Department Reunion

LANSING, MICH.—Former officials of the Michigan department were guests at a get-together with Commissioner Emery and his present staff at a stag dinner. Those present were: Ralph Wade, Michigan Mutual Liability, Detroit; Joseph Reault, Maccabees, Detroit; L. H. Sanford, Mid-America, Detroit; and Robert Morse, Dearborn National Fire, Detroit, all former second deputy commissioners; Walter O'Connell, C. P. A. Company, Detroit, former actuary; Jay C. Ketchum, Great Lakes Casualty, Detroit; and Lawrence K. Power, Detroit Automobile Inter-Insurance Exchange, Detroit, former examiners.

Compile Neb. Fire Rate Data

LINCOLN, NEB.—The Nebraska department is compiling data on premiums collected and losses paid in the last five years by fire companies licensed in the state. The question has been raised recently whether or not Nebraska, because it has never taken over supervision of rates, is paying higher rates than it should, and the figures secured will be made available for the next legislature in case it decides to take up the problem. The department now has control of bond rates only.

Watching Cooperative Agency

ST. PAUL — Insurance men are watching developments in the efforts of a large farmers' cooperative organization to establish an insurance agency. Representatives of the cooperative have been conferring with officials of the insurance department but as yet have made no formal application for license. Certain legal aspects of the matter are being studied by the department and pending a decision on these the matter is marking time.

The cooperative movement in Minnesota and its effect on established agencies was the subject of a lively discussion at the Minnesota agents' mid-year meeting in Minneapolis in March.

Gets Protected Fire Rates

Protected fire rates have been extended by the Kansas Inspection Bureau to the village of Eastborough, exclusive residential community east of Wichita where it is estimated that over \$2,000,000 in fine residences have been erected in the past few years. In addition to contracts with the city of Wichita for fire department response, water mains have been extended into the area and hydrants installed to protect all but about six of the more remote properties.

Kansas Short Course June 18-21

Registration cards for the first short course insurance school of the Kansas

Association of Insurance Agents at Lawrence, June 18-21, have been mailed to members and Kansas field men by Secretary Wade Patton. The registration fee is \$2. A banquet is being held the evening of June 18.

Sixty-two new members of the Kansas Association of Insurance Agents are announced by Secretary Patton, bringing the membership to 456, an all-time high. The second period of the membership contest among Kansas field men is now well under way.

Remick to Wichita Agency

Harry H. Remick, who formerly represented the Federated Hardware Mutuals at Manhattan, Kan., has been named manager of the Wichita Insurance Agency, to succeed L. R. Baird, who returns to the Alliance Casualty of McPherson, running mate of the Farmers Alliance. The agency represents the General of Seattle and the Pacific National in addition to the Farmers Alliance, but is owned by the State Investment Company of McPherson, the latter being controlled by the Farmers Alliance.

W. R. Hopkins, formerly of Hannibal, Mo., succeeds Mr. Remick with the hardware mutuals at Manhattan.

Preston Speaks at Mankato

MANKATO, MINN.—A report on the National association meeting in Wichita was made at the May meeting of the Southern Minnesota Agents' Regional Association by Frank S. Preston, national councillor and executive secretary of the Minnesota Association of Insurance Agents. He also told of plans for the annual meeting of the state association at Duluth in August.

Sioux City Forum June 5

SIoux CITY, IA. — The program for the fifth in the series of insurance educational forums in Iowa has just been announced. It will be held in the Martin Hotel in Sioux City June 5 under the direction of Robert S. Andrews, regional vice-president. Six hundred invitations have been mailed by Harry C. Brown, president of the Iowa Association of Insurance Agents, and the largest attendance of any of the meetings is expected.

The discussion leaders will open their subject with brief talks and then will "umpire" the discussion and questions from the floor. Every agent invited was provided with a reply card to submit questions. This feature is proving very popular and brings in many anonymous suggestions.

Morning speakers will be W. C. Slotsky, secretary-manager Credit Service Exchange, Sioux City; N. W. McBeath, Iowa state agent Great American; A. W. Callahan, special agent Fidelity & Casualty Company, Des Moines; C. R. Gossett, president Security National Bank of Sioux City, and J. S. Cutter, secretary-treasurer of the state association, and in the afternoon, A. E. Holt, special agent Aetna Fire; F. H. Noble, American Surety, and N. P. McGovern, St. Paul Fire & Marine.

Addresses School on Insurance

CLEVELAND — C. M. Johnson, Hopkinson-Burridge Pierce Co., chairman of the public relations committee and a member of the speakers' bureau of the Insurance Board of Cleveland, addressed a class on consumers education at Lakewood high school. At the conclusion of his talk there was a question and answer period.

Al Dodge, son of Cliff B. Dodge of the Dodge Agency, Salina, Kan., has joined the insurance department of the agency in charge of solicitations, taking the place of Dale Thomas, who has gone

with the Firemen's as special agent in Kansas.

The "Westward, Ho!" party conducted by the St. Paul Association of Insurance Women raised sufficient funds to send at least four delegates to the meeting in Denver.

E. R. Chincholl, engineer with the Chicago office of Marsh & McLennan, was back in Kansas for two weeks on a business trip and meeting old friends from his days with the Kansas Inspection Bureau when he was chief electrical inspector.

The Insurance Women's Association of Sioux City, Ia., has just completed a directory of companies represented there, with all of the agents of such companies. This is the third time such a list has been issued and the demand for it is increasing.

At a meeting of the Topeka Association of Insurance Women Miss Marjorie Wilson of the Meade Investment Company was elected delegate to the meeting in Denver in June.

The unauthorized insurance committee of the Ohio Association of Insurance Agents will hold a meeting in Columbus June 5. C. R. Laurenson of Canton is chairman.

Insurance Commissioners' Transportation Plans

Commissioner Neslen of Utah, president National Association of Insurance Commissioners, has appointed three departments to act as transportation chairmen for the annual meeting to be held in Hartford the week of June 24. As already announced, the Illinois department takes charge of the Chicago area and those going to Chicago to take the special train. Roy L. Davis, assistant Illinois director managing the Chicago office, is in primary charge. Commissioner Neslen has appointed Arthur J. Ham of Denver, former Wyoming commissioner, as head of the transportation committee for the far western contingent. He is working out a plan whereby those interested will travel together from Cheyenne to Chicago. Commissioner McCormack of Tennessee is looking after the southern group.

Parke-Stethem of Chicago Moves

Parke-Stethem, Inc., of Chicago, will move Friday from 134 South LaSalle street to 1861 Insurance Exchange building. The new quarters are about twice as large as the old ones. Carl J. Sanders is manager. Parke-Stethem handles London Lloyds business. It has operated in Chicago about two years.

North British Fetes Nelson & Ward

Nelson & Ward Co., Jersey City, Tuesday celebrated the 60th anniversary of their representation of North British & Mercantile, which entered their agency ten years after the latter's founding. Assistant Manager G. H. Duxbury and Secretary R. T. Stewart of North British presented H. B. Nelson, head of the agency with a silver loving cup.

SOUTH

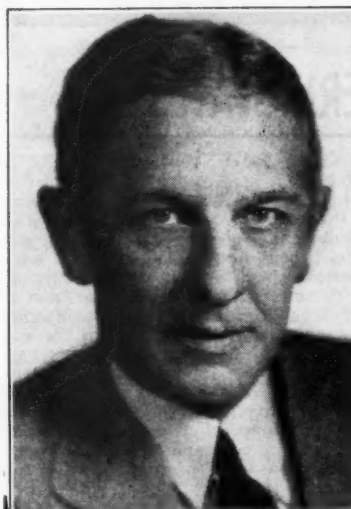
Objects to Indiscriminate Appointment of Agents

Secretary Irwin Wootton of the Georgia Association of Insurance Agents has addressed Manager L. T. Wheeler of the Southeastern Underwriters Association regarding contingent commissions and agency appointments. He said that the fact that competent agents' value may be recognized does not preclude the appointment of unqualified agents. A recent checkup on agents in Atlanta, he said, brought out the fact that bookkeepers, bank employees, res-

LEADERS AT VIRGINIA MEETING



STUART RAGLAND, Richmond State President



OSCAR H. WEST, Richmond Manager State Association

taurant operators, automobile dealers and other part timers have been licensed. He said some companies have recommended to the insurance department that such licenses be issued.

Up to the Field Men

Generally, he said, the managers' or officials' of companies' knowledge of the applicant is slight. Field men are asked to furnish the necessary recommendations. Very often, Mr. Wootton said, a field man is prone to overlook some things for the sake of an increase in premium volume. Mr. Wootton said that his organization does not believe that appointments should be made for the sake of premium volume alone. Naturally the field men are pressed by their head offices to get more business. If that be so, Mr. Wootton suggested that the field men devote more time to their present agency plants. Certainly, he said, there is some plan whereby licenses should be denied to applicants that do not qualify according to standards. A discontinuance of indiscriminate appointments of agents, he said, would be a boon for all.

Tennessee Manager Selected

NASHVILLE—At a meeting here the executive committee employed a manager for the Tennessee Association of Insurance Agents to succeed John D. Saint. The new manager will be introduced at the association's annual meeting in Chattanooga, June 13 and 14, and will take up his duties July 1.

In a statement W. D. Pettigrew, president of the association, described the new manager as "a resident of Tennessee who by training, experience and ability should meet our every reasonable requirement." Several other applicants were interviewed before the committee made its decision.

Johnson City Exchange Elects

JOHNSON CITY, TENN.—The Johnson City Insurance Exchange elected these new officers: President, George Oldham; vice-president, W. T. Martin; secretary-treasurer, Mrs. Rebecca A. Rogers; executive committee, W. M. Harris, chairman; Phil McAfee and Perry D. Hunter.

May Revise War Cover in Texas

AUSTIN, TEX.—Removal of sabotage coverage from war risk policies is one of the subjects in a docket of 29 matters set by the Texas Board of Insurance Commissioners for hearing June 18. The notice for the hearing is broad enough to include any phase of fire and windstorm insurance.

The board probably will consider a

system similar to that set up by the Explosion Conference for the rest of the country and followed generally in Canada. Under this plan, the war risk policy covers only the hazards of actual fighting, including aerial bombardment, while malicious damage by foreign secret agents is covered by the "broad" vandalism endorsement to the explosion policy or to the extended coverage endorsement. A request to amend the war risk exclusion clause in the text of extended coverage endorsement has been filed with the commission.

Revision of rates and rules on certain extended coverage risks is also on the docket. The question of rates on dwellings outside city limits but within proper distance from fire hydrants will also be considered.

Nourse Honor Guest in Dallas

DALLAS—Ewing S. Moseley, Texas state agent London Assurance, was host at a buffet dinner for Dallas agents at which the guests of honor were E. W. Nourse, United States manager, and G.

J. Giersberg, field supervisor at Kansas City.

Hold Alabama School Aug. 14-17

BIRMINGHAM — Alabama's first insurance sales school will be held at the University of Alabama at Tuscaloosa Aug. 14-17.

Parkerson Operations Clarified

Mildred Fisher of the Parkerson General Agency of Lafayette, La., writes as follows:

"From your last publication respecting our operation it is inferred that the New Orleans General Agency, Inc., is general agent for the companies named whereas as a matter of fact the Parkerson General Insurance Agency of Lafayette are general agents for Louisiana for the named companies and the New Orleans General Agency, Inc., and the Louisiana General Agency, Inc., are subsidiary corporations, but all contracts and operation and underwriting matters are handled at Lafayette through the Parkerson General Agency."

Kentucky Speakers Announced

At the annual meeting of the Kentucky Association of Insurance Agents in Lexington, June 20-21, addresses are to be made the first day by representatives of the insurance department and the Field Club and by R. W. Forshay, Anita, Ia., national association executive committee member, and C. D. Minor, educational department Royal-Liverpool group, with luncheon as the guests of the Lexington Board, tours of famous bluegrass stock farms, a dinner dance, golf and bridge.

Reports are to be made the second day by the legislative committee and G. R. Reed, national councillor, followed by the election of officers and a forum conducted by R. D. Peel, chairman of the rural agents committee.

Tyler, Tex., Exchange Elects

The Tyler (Tex.) Insurance Exchange has elected these officers: C. N. Clyde, president; Richard Hicks, vice-president; Tom Bradshaw, secretary-treasurer.

New Houston General Agency

C. C. Black and A. M. Wertheimer will open a general agency known as Black & Wertheimer June 1 with head-

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quarters in the Bankers Mortgage building, Houston. Both formerly were with the Texas General Agency Company of San Antonio, Mr. Black as Houston branch manager and Mr. Wertheimer in the headquarters office. Mr. Wertheimer was also formerly with Sloan & Co. of San Antonio.

Reelect Fort Worth Officers

FORT WORTH, TEX.—The Fort Worth Insurance Underwriters Association has reelected its officers: President, Alden Evans; vice-president,

James Anderson; executive secretary, D. G. Foreman.

Smith on Prevention Committee

DALLAS—E. R. Smith, Texas manager of the Home of New York, has been appointed to the Texas Fire Prevention Association Committee, filling the vacancy created by the death of W. Scott Clark, Dallas manager Travelers Fire.

The Berry Insurance Agency, Archer City, Tex., has purchased the Taylor Insurance Agency there.

lace is president and Oscar W. Nelson of Coeur d'Alene is secretary.

Luncheon for Goldsmith

LOS ANGELES — The Southern California Fire Underwriters Association will give a luncheon here June 14, at which Col. Clarence Goldsmith, assistant chief engineer of the National Board, will speak. The luncheon is to be open to all insurance men.

NEWS BRIEFS

E. Pym Jones, president Insurance Brokers Exchange of San Francisco, has been appointed a director of the insurance section of the Credit Managers Association of Central and Northern California.

H. F. Mills, Pacific Coast manager Aetna Fire, and Munroe English, assistant manager Phoenix of London, are in Honolulu visiting company representatives. Mr. Mills is president of the Fire Underwriters Association of the Pacific.

A \$75,000 fire which destroyed a business block in Carlsbad, N. M., recently was nearly all covered by insurance. The American, Atlas, Fidelity & Guaranty, Fireman's Fund, North British & Mercantile, Hartford and others were on the loss.

The Insurance Women's Association of Portland installed its new officers at a banquet. They are: President, Margaret McCarty, Swett & Crawford; vice-president, Gertrude Dahl, Oregon Insurance Rating Bureau; recording secretary, Gertrude S. Buchanan, G. C. Bishop office; corresponding secretary, Pauline Windham, Employers Liability; treasurer, Margaret Givens, Maryland Casualty.

E. Byron Ford, president of the Fidelity & Surety Co., Manila, which is the Philippine Island general agent of the Occidental Life, is on the mainland and has been spending several days at the home office in Los Angeles.

A frame to fit the new size and style of license which is being issued to California agents, brokers and solicitors has been designed and is being marketed by Miss A. V. Bowyer, Pacific Coast editor of THE NATIONAL UNDERWRITER. Under the provisions of the insurance code, which are being strictly enforced by the California department, licensees are required to display their license prominently. The frame, which will assist agents and brokers in complying with this provision of the code, is of green levant with gold trim and may be secured from Miss Bowyer at her San Francisco office, 544 Market street.

PACIFIC COAST AND MOUNTAIN

Recodification Committee Is Being Selected in Idaho

Governor Bottolfsen and Insurance Director Walrath of Idaho are selecting a committee to review the insurance laws with a view of recodifying them and making them more modern and workable. It is hoped to have the committee in operation by June 1. The committee will include representatives designated by the various insurance interests, including companies and agents. Every group which operates under the insurance law will have a representative on the committee whose expenses will be borne by each individual group.

"This office has found that there are a great many things about our insurance law that need changing to bring about better supervision to the end that the public will be better served in its insurance needs," Director Walrath stated.

Several months will intervene before the convening of the next legislature and in the interim the necessary changes in law will be whipped into shape ready for presentation by the committee.

Plan Oregon Agents Meeting

PORTLAND, ORE. — Committees for the annual meeting of the Oregon Insurance Agents Association to be held at the Multnomah Hotel here, Aug. 5 and 6, have been announced. Portland members of the executive committee in charge are: George W. Haerle, president, general chairman; publicity, C. A. Mansfield; golf, Harry Hollister; sports dinner dance, F. C. Reed; ladies entertainment, J. H. Schmeer; registrations and reservations, Howard Vallentyne, executive secretary of the association.

An executive committee meeting Sunday evening, Aug. 4, will precede the convention's first session.

Fire Forum Reelects Officers

SAN FRANCISCO—W. M. Mutch, chief underwriter Travelers Fire, one of the founders of the Fire Underwriters Forum and who was its president since organization, was reelected at the banquet Wednesday, as were R. B. Masters, Security of New Haven, secretary; Albert Anderson, Atlas, assistant secretary; J. J. Haster, Swett & Crawford, board chairman; H. L. Melick, America Fore; Paul Romer, Commercial Union; R. E. Channing, Crum & Forster, and Sigmund Arndt, Finn, Elbow & Medcraft, directors. W. E. Burk, Pacific

Board, was elected treasurer to succeed Dennis Dunlevy, Pacific National.

C. C. Hannah, vice-president Fireman's Fund, was the principal speaker.

Dates for Colorado Meeting

DENVER—Sept. 9-10 are the dates which have been set for the annual convention of the Colorado Association of Insurance Agents. The meeting will be held in Denver.

Ruling on Temporary Licensees

SAN FRANCISCO—Holders of certificates of convenience in California who have not yet received their "permanent" licenses are required to file application for renewal by May 31 or be subject to penalty.

A number of these certificates have been issued where the licensee has not yet been called for examination, while in other cases the examination has been taken but the papers have not yet been corrected by the department. These conditions do not exempt the licensee from filing an application for renewal.

Brokers Exchange Slate

The slate to be voted on by the Insurance Brokers Exchange of San Francisco June 12 is as follows: Board of governors, M. C. Fox, H. M. Kelly, Jr., R. E. Pettingill; unexpired terms, C. S. Sinclair, W. P. Simi; arbitration committee, W. H. Downes and Don B. Wentworth.

Idaho Meeting Aug. 12-13

The annual meeting of the Idaho Association of Insurance Agents has been scheduled for Hayden Lake, Aug. 12-13. The convention site is about seven miles from Coeur d'Alene and about 30 miles from Spokane. D. L. Rogers of Wal-



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MARINE INSURANCE NEWS

Missouri Adopts Marine Definition

The Missouri department, effective June 1, has adopted the uniform definition of marine writing powers with certain exceptions. Whereas under the full definition, tourist and personal effects floaters may not provide coverage within the permanent residence of the assured, in Missouri such coverage may be granted. Also, Missouri permits continuation of the writing of the personal property floater. However, the companies must observe the rulings that have been made governing the writing of this policy and they must clear their daily reports through the Missouri Audit Bureau.

It is assumed that the Missouri department approved the definition as the result of the recent incident regarding the transit policy issued by the Rhode Island to the National Retail Owned Grocers Insurance Agency of Chicago. The Rhode Island promptly canceled the policy when the issue arose, but at the hearing at Jefferson City, counsel of the Rhode Island contended that the policy did conform to the Missouri regulations because the marine definition was not effective in Missouri.

The marine definition is now in effect in 36 states and the District of Columbia.

Property Floater Issue in Ill. Court

SPRINGFIELD, ILL.—The litigation between Insurance Director Palmer and Merchants Fire of Denver, based on a dispute which arose last September when Mr. Palmer refused to approve three of its personal property floater policies opened Monday in Sangamon county circuit court. Judge Wright will not rule immediately on the case, but will permit both sides to file briefs.

Merchants is seeking a review of Mr. Palmer's order, contending that the forms did not violate the insurance code and that they were similar, in substance to forms of London Lloyds and the company also asks that Palmer be ordered to approve the forms and be restrained from interfering with its operations as pertaining to that type of business.

The state takes the position that the forms are ambiguous, do not comply with code regulations, and contain clauses that mislead the public.

Attorneys for Merchants are two Chicagoans—Oscar M. Wolff, brother of Allan I. Wolff of Associated Agencies, and State Senator Thomas Keane, who is chairman of the senate insurance committee.

Roger Simpson Testifies

The only witness for Merchants so far is Roger Simpson, vice-president of Transportation of Chicago. Defense witnesses included H. A. Miller, special deputy of the Illinois department; J. J. Magrath of Chubb & Son, New York, and Mark Campbell, western manager of Automobile and vice-president of the Illinois Householders Personal Property Floater Bureau.

The principal issue concerns the right of a company to issue the personal property floater, ex fire coverage. Under the rules of the personal property floater bureau, the contract may not be written ex fire and the Illinois department made those rules official.

One of the central questions that emerged during the early part of the trial is whether the personal property floater, as mentioned in the rating section of the Illinois code, should be regarded as having generic implications, or whether it should be regarded as referring exclusively to the policy that is

commonly known as the personal property floater. The contention of Merchants Fire is that the code refers to personal property insurance generally that falls into the all-risk or transportation hazard category and Mr. Simpson, testifying as an expert, argued in favor of that construction. Mr. Campbell and the others testifying on the other side held that the code provisions should be interpreted narrowly to refer only to the particular policy. Apparently Merchants Fire is going on the theory that if the provision is given a broad meaning the present rating authority in the hands of the personal property floater bureau and the Illinois department would be undermined. Merchants also contends that in the existing setup there is improper delegation of authority to the personal property floater bureau.

The judge permitted the witnesses to testify freely and overruled many objections. He said that he was trying to get an understanding of the subject and desired to have the witnesses speak without interruption.

Mr. Magrath in his testimony gave considerable background information. He was chief of the rating bureau of the New York department and secretary of the committee at the time the National Association of Insurance Commissioners in 1933 endorsed the uniform definition of marine writing powers.

Memorial to Douglas Cox

A memorial resolution on the late Douglas F. Cox, president of Appleton & Cox, was adopted at a meeting of leading marine underwriters in New York. S. D. McComb, president Marine Office of America, in his capacity as president of the Board of Underwriters of New York, presided. Hendon Chubb of Chubb & Son, chairman of the special committee, presented the resolution and paid a personal tribute to Mr. Cox. W. D. Winter, president of Atlantic Mutual of New York and president of the American Institute of Marine Underwriters, also spoke in appreciation of Mr. Cox.

George Jordan of San Francisco, marine secretary of the Fireman's Fund, was in Chicago this week visiting the department offices.

CANADIAN

Setup of New Calgary Fire Company Is Announced

CALGARY, ALTA.—Announcement was made recently by Frank R. Freeze of the Frank Freeze-Cope Agencies of the formation of Western Union Insurance Company. Authorized capital is \$500,000, with power to increase it to \$1,000,000 on vote of shareholders. The amount subscribed is \$500,000 and the amount paid up is \$100,000.

Fire reinsurance arrangements have been made with the American Reserve of New York and for automobile with the Employers Reinsurance. The company has applied for membership in the Western Canada Insurance Underwriters' Association. It has become a member of the Canadian Hail Underwriters Association and has purchased the necessary shares of stock in Northwest Adjustment & Inspection Company, which handles hail loss adjustments. It is expected that it will be licensed in other provinces before the end of the year.

Frank Freeze is president; W. R. Cope, vice-president and managing director; M. Mackenzie, director and secretary.

Winnipeg Agents Elect

WINNIPEG, MAN.—The Winnipeg Agents Association at its annual meeting, elected these officers: President,

R. E. Jackson, Smith, Fess & Denison; vice-presidents, W. L. Head, Insurance & General Agency, and F. Horne, Allan, Killam & McKay; secretary-treasurer, V. D. Hurst, Western Canada Insurance Underwriters Association; executive committee, L. M. Moffat, Black & Armstrong; H. A. Roberts, Grain Insurance Brokers; D. W. W. Revie, Stock Investment Co.; G. F. Schoales, Canadian Agencies, and H. Shave, Argue Bros. Past president is E. C. Ryan, Jr., Ryan Agency. A nine-man advisory committee was named.

Fisher Heads Fire Marshals

A. E. Fisher of Regina, was elected president of the Association of Canadian Fire Marshals at its annual meeting. Vice-president is Col. S. S. Wright of Halifax and secretary-treasurer W. L. Clairmont of Ottawa.

MOTOR

Deviation Allowed in New York State

The Alliance Assurance of London has been allowed an automobile rate deviation of 30 percent on fire, theft and comprehensive coverage and 20 percent on collision by the New York department. The Alliance's automobile business is confined to finance lines originating through banks and credit unions. It is written through agents and the commission rate is 10 percent. Undoubtedly the Alliance has had in mind an effective method of meeting competition of insurance companies allied with finance institutions in its granting the

New Eastern Committee of N. A. U. A. Is Set Up



G. E. BEARDSLEY

NEW YORK—The new membership of the eastern regional branch of the National Automobile Underwriters Association, chosen at the annual meeting, consists of G. E. Beardsley, vice-president Aetna Fire, chairman; G. G. Bulkley, president Springfield F. & M.; C. F. Rupprecht, assistant to the vice-president North America; R. I. Catlin, vice-president Automobile; J. F. Gilliams, vice-president Camden Fire; Gilbert Kingan, United States manager London & Lancashire; G. C. Long, Jr., president Phoenix of Hartford; H. W. Miller, assistant manager Commercial Union; A. A. Muller, assistant manager Fireman's Fund; H. F. Ogden, president Fidelity & Guaranty; A. R. Phillips, vice-president Great American; P. J. Priore, assistant U. S. manager Sun, and F. E. Sammons, vice-president Hanover.

rate reduction and paying a lower commission.

N. A. U. A. Names New Finance Line Committee

NEW YORK—As a result of the free interchange of views that took place at the annual meeting of the National Automobile Underwriters Association, the feeling now prevails that an acceptable plan for handling automobile finance accounts, may be devised in the early future. Members of the association now have a clearer conception of the problem and of the need for devising a method for meeting the competition of both non-affiliated stock and non-stock companies, and seemingly are willing to make concessions in an effort to retain business and to secure a larger percentage of the entire business.

From the many suggestions advanced at the gathering, a number were held to be well worth considering, and will be studied by the new committee that the group decided to appoint. The committee that had been discussing the issue for the past 12 months declined reappointment, stating it had exhausted every avenue of research, and suggested an entirely new committee be formed. A meeting of the new committee will be held within the next few days.

Muckerman on Bank Board

Chris J. Muckerman, president of St. Louis Fire & Marine, and a partner in General Insurors, Inc., has been elected a director of the Industrial Bank & Trust Company of St. Louis. That bank recently organized a fire company known as Washington Fire & Marine for writing insurance on cars financed by the bank. General Insurors is handling much of the work of Washington F. & M.

The Michigan department has licensed the Motors Insurance Corporation of New York.

EAST

Plans for Md. Mid-Year Rally

The mid-year meeting of the Maryland Association of Insurance Agents will be held in Ocean City, June 27-29. The banquet will be held June 29 with Harold Tschudi, a Baltimore attorney, as toastmaster. He is a past president of Civitan, International. The speaker of the evening will be Arthur D. Cronin, prominent broker of Boston, who will talk on "My Objections to Mutual Insurance." Announcement will be made later of the speakers for the business sessions.

Miss Cotter to Organize Women

Miss Mildred Cotter of the James Cotter & Co. agency, Lynn, Mass., has been given the task of organizing a state association of women engaged in the insurance business as licensed agents in Massachusetts. Women agents to be eligible must represent one stock company or be allied with an agency which represents at least one stock company.

Goerlich Is Providence Speaker

PROVIDENCE, R. I. — At a meeting here of the Rhode Island Association of Insurance Agents, A. C. Goerlich, educational director of the Insurance Society of New York, talked on educational methods and their effects in securing new business. The Aetna Casualty talking picture, "Word Magic," was shown.

Goldthwait N. Y. Special Agent

The Norfolk & Dedham Mutual Fire has appointed George S. Goldthwait special agent for New York state. He is a graduate of Wentworth Institute and has been with the Mutual Fire Inspection Bureau of New England for 17 years as an engineer. He will have headquarters in Middleton, Conn.

Georgians Elect Lancaster President

(CONTINUED FROM PAGE 1)

speakers, was held and followed by a dance.

Invitations were received from Macon and Valdosta for the 1941 convention. The Arnall Plaque was awarded to the Haines-Jones agency of Savannah for writing the most unusual risk during the year, an all risk reporting form policy on some bird eggs.

The executive committee met the day before the convention opened and that night Lewis L. Ledsinger, A. H. Turner General Agency, gave his usual supper party for the past presidents and members of the executive committee.

Be Prepared for Setbacks

A well coordinated preparedness and defense program is just as important to an industry as it is to an agent. R. W. Bugli, advertising manager London Assurance group, stated. In the current age of insecurity, "we must be prepared for the first time to defend institutions which once seemed completely stable and impregnable to attack," he declared.

The capital stock insurance industry is fighting three basic ideas. First, the idea that it is impossible for a local agent to justify the middle man commission which he receives. Next, the theory that government control of all phases of insurance might be a good thing for the public. Finally, the insidious, corrupting idea that the public interest is satisfactorily served when insurance is purchased on a basis of favoritism rather than real service. Mr. Bugli said a sound public relations program, with increased service to the public as its nucleus, can protect the industry against this three-headed attack that neither smugness nor complacency should stand in the way of setting up this program.

R. L. Ellis, president Atlanta association, in his talk on "Value of Local Boards in Fire Prevention and Safety Work," said agents are missing a golden opportunity in not creating more good will for the insurance fraternity as a whole, because they fail to take a more active part in fire prevention and safety work.

High School Essay Contest

He said the Atlanta association this year during Fire Prevention Week conducted an essay contest among the high school children. With the distribution of 50 safety billboard posters, the contest had amazing results. Two years ago the group gave the city a new safety car. It was painted white with the words, "The Voice of Safety—Presented by Atlanta Association of Insurance Agents," on both sides. The car was equipped with a loud speaker and electrical recording device and today is being used by the city traffic department to patrol downtown streets and in educational work at the city schools.

J. W. Carswell of Savannah, president Georgia Association of Insurance Agents, in his report stated that while the Southeastern Underwriters Association turned down the appeal for contingent commissions, the agents organization has not abandoned the idea. He said that minimum requirements should be set up for local boards such as having at least four educational meetings a year, putting on an active fire prevention and safety campaign, coextensive membership in state and national associations, etc. He said that the question of getting the attorney general to rule retrospective rating legal for compensation insurance in Georgia should be vigorously pursued. He also wanted an expression from the membership as to whether the association should make a strenuous effort to get personal property floater approved.

Augusta, he said, has invited the National Association of Insurance Agents to meet there for its mid-year meeting in April, 1941, and all Georgia should support the invitation, he said. An insurance school will be conducted at Athens, beginning July 22. A circuit

school should be organized for next fall similar to one that was established during the spring by Florida, he said. He recommended that the coming administration do everything possible to get the Southeastern Underwriters Association to allow agency representation at its meetings.

President Carswell called attention to the fact that a number of agency appointments have been made bringing in unqualified persons, if not in actual violation of the law, then certainly in violation of the principles of the American agency system. Many expressions have been received to the effect that the law should be strengthened. A number of agents were appointed that while actually qualified did not stand the examination required by law before receiving their license.

The many benefits which may be available through the efforts of local boards were outlined by Davis B. Rives, Atlanta, Georgia state agent American of Newark.

Mr. Rives said the agents always will find company management and field men willing to cooperate fully. He urged the organization of more local boards functioning in a manner so creditable that the insurance profession will gain further prestige.

New Medical Indemnity Insurer

NEW YORK—Permit to enable the Medical Guild Foundation to solicit subscribers has been granted by the department. It cannot, however, begin business until it obtains a license. The foundation, which plans to operate in several counties contiguous to this city, is a non-profit medical indemnity corporation. It will charge an annual fee of \$18 for adults; \$30 for husband and wife; \$12 for persons between ages of 16 and 18, and \$7.50 for children under 16.

James C. Farmer of Keene, N. H., vice-president of the Peerless Casualty, vice-president and agency director of National Grange Mutual Liability and National Grange Fire, and director of Farmers & Traders Life, is a candidate for the Republican nomination for governor of New Hampshire.

Winant Van Winkle, vice-president Commercial Casualty and Metropolitan Casualty, who has been a New Jersey state senator for two terms, was defeated for renomination.

Cornelius Jensen, special agent American Surety, Des Moines, will be married to Miss Esperance Hamman of Seattle, Wash., June 4. Miss Hamman formerly lived in Des Moines.

Joseph Barker New Nebraska President

(CONTINUED FROM PAGE 1)

already under consideration, he said, for a two-day short course for Omaha and Lincoln agents, to be held at Omaha Municipal University and Nebraska University, respectively, with a diploma or an award of some sort to be given upon satisfactory completion of the course. In the less populated areas, he suggested one-day courses of like nature, to be held in the form of several regional meetings throughout the state.

It was George Cowton of Grand Island, who brought up the subject of adoption of a program of guiding principles as now in operation in California. While a number of states have been able to put an agents qualification law through their legislatures, so far Nebraska has been unsuccessful in several attempts, and it was Mr. Cowton's thought, with which other agents present agreed, that if Nebraska would adopt the declaration the result would be the same, and very likely better, than could be attained by having an agents quali-

cation law in the state. A committee will be appointed immediately to investigate and report on such a project.

C. A. Abrahamson, Omaha, gave a report as chairman of the special bond committee. It will be recalled that an effort is being made in Nebraska to have the premium on the state treasurer's bond, amounting to about \$3,000, go into the treasury of the Nebraska association. Mr. Abrahamson reported some progress toward the accomplishment of this end, but also said that a few agents who in the past had been sharing in the premium had written their companies to the effect that if they did not continue to do so, said companies could pick up their supplies. This attitude of course complicated the matter, but he is hopeful of a satisfactory solution of the problem by the time elections are held this fall.

Consumer Cooperative Stir

F. W. Doremus, manager of the western department of the American of Newark, talked on "The Agent and Consumer Cooperatives," and thereby hangs a tale. He used no manuscript nor notes, and quoted largely from pamphlets and booklets issued by numerous consumer cooperative organizations. The next morning following Mr. Doremus' speech, an official from the Lincoln consumers cooperative, said to number some 450 members, cornered Everett Dawson and demanded that the association retract some statements made by Mr. Doremus. While this official had not heard the talk, he based his objections on what appeared in a Lincoln newspaper, which read that Mr. Doremus "warned that the consumer cooperative movement is the 'fifth column,' undermining the economic foundations that have made this nation the richest and greatest in the world. . . . At the outset of his speech the speaker charged that communists had been the most active in setting up consumer agitation."

The incident caused no little flurry when brought before the closing session, but the association took no action whatever on the matter.

While the attendance at the Lincoln meeting was not as large as was expected, there being about 180 registrations, the interest in the talks made by the several speakers, and in the discussions of association affairs and proposals, appeared to be much greater than for several years past. The Nebraska association has a number of projects under consideration for the coming year and indications are that they will be carried through with enthusiasm.

A resolution was adopted stating that "the safety of the policyholders, the

solvency of the companies and the welfare of the agents can best be secured by certain careful supervision and by constant cooperation between companies and agents and we believe that the action of the California and New Jersey associations in developing their platform of "declaration of guiding principles" and the adoption of such a platform by the companies and agents in these two states has done much to bring about a better understanding between agents and companies and will result in more careful and greater security to policyholders, therefore, "We commend the action of California and New Jersey in developing this platform, and the executive committee of the Nebraska association is instructed to take such action as may be necessary toward the adoption of such declaration."

Furthermore, "that the legislative committee be charged with taking the necessary steps to further the enactment of the proper amendments to the insurance laws of Nebraska relative to the equitable distribution of the cost of insurance among policyholders."

O. L. Ellerbrock of Hastings, was chairman of the resolutions committee.

Oklahoma Agents Want Changes in Department

(CONTINUED FROM PAGE 1)

branches of insurance in Oklahoma University and Oklahoma Agricultural & Mechanical College and asked the incoming administration to take up the subject with them. It also recommended summer short courses. Thanks also were tendered L. W. Garlich, St. Joseph, Mo., member of the national executive committee, and other speakers.

Adams Heads Stock Council

Jack Adams of Oklahoma City explained the Stock Company Council, an important development in this state. A permanent executive committee and temporary officers were named. Mr. Adams was made president; T. Ray Phillips, state agent America Fore, vice-president, and R. Van Wagenen, resident manager Maryland Casualty, secretary-treasurer.

The executive committee includes E. R. Ledbetter, Oklahoma City; H. P. Frantz, Enid; Fred Daniel, Tulsa; Buford Breeding, Oklahoma City; Clifford Wetzel, Ponca City; Kent Johnson, Alva, and Paul Sisk, Tulsa, for the agents; George Wyatt, Hartford Fire; Hal Smith, Central Surety; William Wilson, Commercial Standard; Clarence Kelley, Home; Leslie Williams, U. S. F. & G., and Howard Pate, Commercial

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Union, for the companies. The president is ex-officio chairman.

C. C. Day, Oklahoma general agent Pacific Mutual Life, who spoke at the banquet, made a hit with his talk in which he discussed the significance of current events and their implications so far as Oklahoma development and business generally are concerned. He predicted prosperity and a costly aftermath. Mr. Frantz was presented a handsome plaque at the dinner.

The visitors were welcomed by John Bowers, president of the Enid Exchange. C. H. Kelley, Oklahoma state agent for the Home, discussed "cooperatives." T. S. Vise, assistant cashier of the Union National Bank of Little Rock, read the paper of his associate, A. F. Burbridge, on "Premium Financing"; Morton T. Jones, president Kansas City F. & M., spoke on "The Practical Side of Competition"; L. E. Antene, assistant manager Oklahoma Inspection Bureau, "Bureau Service"; J. Dillard Hall, assistant agency director of the U. S. F. & G., "Guaranteed Men and Women"; T. F. Gafford, retired special agent of the Hartford, "Highlights of 50 Years in the Insurance Business."

Mr. Antene urged local agents to write to the bureau for necessary inspections before rerating. Mr. Garlich discussed the profit and progress theme that has featured National association utterances in recent months.

Clifford Wetzel of Ponca City, chairman executive committee, who gave the report of the administration, stated there are 246 members. He said that M. L. Sumner of Oklahoma City as secretary has looked after the details following the change in management when a salaried manager was dispensed with. Mrs. Mildred Grimm, assistant secretary, looks after the office at 817 Ramsey Tower, Oklahoma City, working on a half-time basis. Attention was called to the fact that non-admitted companies have been hampering agents in cotton gin business. This was called to the attention of Governor Phillips. The state insurance board took up the subject and one company sought license and one producing agent obtained an agent's license. It seems to be pretty well threshed out. Attention was called to the fact that some casualty companies are writing private passenger cars at reduced rates and the association was endeavoring to bring them in line.

Fred Daniel, president of the Tulsa Exchange, discussed "Exchange Affairs and the Value of a Trade Organization."

Before going into his explanation of the operations of the Oklahoma insurance board and the duties of the commissioner, Mr. Read touched on several current national topics, and apropos of the operations of the TNEC committee at Washington he said: "I am against the national government or the state of Oklahoma engaging in the insurance business. Experience of state funds—workmen's compensation, hail and others—shows the fallacy of governmental agencies engaging in the insurance business."

As to the supervisory situation he recommended that either the commissioner or insurance board be eliminated, but preferably the insurance board, and that the commissioner, if he is the one retained, be given three chief assistants, experts in fire, casualty and life insurance respectively.

The registration was exactly 250 and large attendance is anticipated for the mid-year meeting. Tulsa made a bid for it though decision will be made by the executive committee.

F. M. Hohwiesner Is Slated

NEW YORK—The mail vote for officers of the National Association of Insurance Brokers will be completed early next week. It is taken for granted the recommendations of the nominating committee will be approved: President, F. M. Hohwiesner, San Francisco; vice-president, F. P. Lavin, Chicago; treasurer, E. S. Litchfield, Boston; secretary, R. M. Ferguson, New York; chairman executive committee, H. G. Sawtelle, St. Louis.

Ohio Heads Toward Educational Work

(CONTINUED FROM PAGE 1)

"wholly unjust."

The U. S. supreme court has upheld the Virginia counter-signature law. There is agitation for passage of similar legislation in other states. However, Mr. Earls urged a policy of watchful waiting in Ohio.

E. A. Teaf, Philadelphia broker who spoke on the HOLC in answer to a question, said that an insured could secure extended coverage through the Stock Company Association, should he desire it, and the agent would receive his 20 percent commission. The insured may purchase any additional insurance, above that carried by the HOLC to protect the unpaid balance, he desires. There is no change in the requirement for windstorm insurance, the HOLC requiring that 50 percent of the fire insurance be carried. In extenuating circumstances, it will accept one year prepaid policies, but the corporation would be overwhelmed if the practice were general, Mr. Teaf said. The agent should sell the insured a three-year policy. A summary of Mr. Teaf's paper can be found in another column.

Norman McCulloch, production manager Globe Indemnity, was an interesting speaker. A digest of his address will be found in the casualty news department in this issue.

M. W. Lewis of New York City, general manager of the Townner Rating Bureau, gave an excellent address and cleared up some questions on surety problems in the minds of the audience. The gist of his address can be found in the casualty news department.

Some agents still fight shy of inland marine insurance, said E. M. Kelley, Cleveland, marine special agent Aetna Fire, believing that it is newfangled. Once an agent gets his feet wet on inland marine, it is no more complicated than any other line, he asserted. County seat agents fill out applications on farm risks but neglect to talk to the local manufacturer about insuring his shipments in transit. "We can't be satisfied to let the client enjoy gay '90s coverage," he said. "The agent who succeeds today must keep posted on all forms of insurance. Only one thing is certain in the world, and that is change."

Of all forms written today, the personal property floater is the most cussed and discussed, Mr. Kelley said. "Don't think that the personal property floater is all wrong just because it isn't absolutely flawless." The public wanted the personal property floater because it wanted protection to follow the property wherever it goes, he said.

Last year marine premiums totaled \$46,000,000. In Ohio there are 8 cities having populations over 100,000 and 23 cities over 20,000 population. There are just as many inland marine prospects in the latter group as there are in the former group, Mr. Kelley declared.

There is always someone moving something somewhere. In any town, a manufacturer may be moving a valuable lathe, sending a \$5,000 exhibit to the San Francisco Fair, there may be prospects for yacht insurance or camera floaters. That which is new, different, spectacular, or unusual attracts attention, he said, and a small camera policy may lead to a large line.

Mr. Kelley was asked why a personal property floater would not pay an insured as much for the loss of a \$300 fur coat as the old policy. He said that a limitation was placed in the floater on jewelry, silverware and furs, and if the agent wished to write the policy correctly, the coat should be specifically scheduled.

If an insured loaned two oriental rugs to friends or relatives, would the personal property floater cover? Mr. Kelley said he thought it would, though they were not kept in a second residence or out for cleaning. In some cases, he said,

oriental rugs were considered fine arts and would be covered only in the insured's residence.

C. B. Plummer, association field representative, reported that a membership gain of 76 had been made since the annual meeting in Dayton. W. B. Cornett, Loyal Protective Life, Columbus, president of the National Accident & Health Association, extended an invita-

tion to attend its annual convention in June at Columbus. Registration was about 260, despite unfavorable weather.

Mr. Earls said the educational program had been built around skeletonized insurance pointers giving answers to questions on lines most frequently required by the average insured. He urged that the association's bulletins be studied and passed along.

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Famous Casualty Training Course Is Brought Up to Date

DONALD M. WOOD, JR., Ably Trained
In Big Office, Made Editor

With competition for Casualty insurance being felt more keenly in all lines, and with the ever-increasing necessity for agents, brokers and company representatives to know more about their business in order to exist, the National Underwriter Company has now issued a revised Casualty and Surety Sales Training Course.

The big earnings in insurance are in the selling end, but modern insurance selling requires more than a warm handshake and a friendly smile. An agent to hold his business, must be well equipped to give his customers the right kind of insurance at the proper cost, otherwise a more able competitor will do so and take business away from him.

The new Casualty and Surety Sales Training Course is designed to provide training in four ways: (1) It illustrates the need for each of the principal lines of casualty insurance and the basic principles,

underlying the need; (2) It explains in detail each of the principal forms of policy currently in use, and the reasons for the various provisions in each; (3) It explains some of the reasons behind the underwriting rules, including practice in using the manual, and (4) It demonstrates how thorough knowledge of the article to be sold may be applied to actual sales.

After careful searching for some time for a capable author, the publisher selected Donald M. Wood, Jr., who is connected with the Chicago office of Childs & Wood, in which his father is a partner. Mr. Wood received his pre-insurance training at Dartmouth College. His insurance training has been received with Childs & Wood, where he has had considerable experience with all lines of casualty insurance. Mr. Wood, Jr., is a member of the Casualty Actuarial Society.

The course consists of 27 lessons, each dealing with different lines of casualty insurance as follows:

1. Public Liability insurance.
2. Automobile Insurance.
3. Manufacturers' and contractors' liability insurance.
4. Automobile insurance sales.
5. Protective liability, contractual liability, and products liability insurance.
6. Owners', landlords' and tenants' liability insurance.
7. Residence, estate and farm liability insurance.
8. Elevator insurance.
9. Teams liability insurance.
10. Aviation insurance.
11. Accident and health insurance.
12. Workmen's compensation and employers' liability insurance.
13. Plate glass insurance.
14. Residence burglary, robbery, theft and larceny insurance.
15. Messenger, paymaster and interior robbery insurance.
16. Safe burglary insurance.
17. Mercantile open stock burglary insurance.
18. Miscellaneous burglary, robbery and all risks insurance.
19. Bank burglary and robbery insurance.
20. Bankers' blanket bonds.
21. Fidelity bonds.
22. Surety bonds.
23. Forgery bonds.
24. Steam boiler insurance—direct damage.
25. Machinery insurance—direct damage.
26. Steam boiler and machinery insurance—consequential damage.
27. Meeting competition.

Following each lesson is a set of examination questions which the student answers and sends in for grading and comment of the instructor. When all examination questions have been answered, if the student secures a satisfactory grade, a certificate will be granted the student upon completion of the course.

The tuition for the entire course including the full set of lessons and grading of the student's papers is \$15.00 (tuition may be paid in installments at the rate of \$4.00 with enrollment and balance in three monthly installments of \$4.00 each). For classes of five or more special wholesale prices will be quoted.

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